

# SEQUEL To The APOCALYPSE

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*The Uncensored Story:*  
**HOW YOUR DIMES AND QUARTERS  
HELPED PAY FOR HITLER'S WAR**

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# FOREWORD

Hitler and Goebbels and Goering are dead.

Let us say that those three ARE dead. What then?

What difference does that make? None whatever.

The astute and patient and gluttonous men who greased the ascent of those three to power will still be guiding Germany to the destiny they have ordained for her.

They will still be laying the German plans and making the German decisions, not in hysteria but in cold blood, ready to rule the world if the German Army wins, equally READY TO CHEAT US OUT OF VICTORY, as they did the last time, if the German Army loses.

THIS BOOK NAMES THOSE MEN and shows them greedily and tenaciously and ruthlessly at work, wriggling and squirming when they have to, marching boldly and insolently when they can.

Until we know their names, and what they have done and are now doing, we do not even know who our enemy is, and we stand a good chance of losing the fight again even if we win on the battlefield.

It was an American who said: "Never give a sucker an even break."

That is not a counsel of brotherly love, but at least it is good and tough.

*Never has it been so utterly disregarded as by the American lawyers and business men who were selected, between 1923 and 1936, by certain Germans for certain functions; and never has it been so carefully followed, and so brilliantly applied, as by the Germans who did the selecting.*

This book tells about it.

We Americans, all of us, should know about it.

It is comparatively unimportant whether certain of our fellow citizens have consciously and WILFULLY BETRAYED US or are merely supersuckers; but it is vital that we should understand WHOM they have been working for, and HOW and WHEN and WHERE.

IF THIS IS NO LONGER THEIR AMERICA, AT LEAST IT IS STILL OURS, AND WE INTEND TO KEEP IT.

If you read this book, you will be better equipped to help.

REX STOUT



#### THE SEVEN CONSPIRATORS

Long before Hitler was heard of, they were planning world domination. Left to right, standing: Hjalmar Schacht, Fritz Thyssen, Hermann Schmitz. Sitting, Karl Duisberg, Krupp von Bohlen und Halbach, Max Ilgner. In the foreground is Heinrich Gattineau, Duisberg's secretary.

# BLUEPRINT FOR ARMAGEDDON

*Seven German Plunder Barons, with a world to conquer, needed a Napoleon. Unknown to them was the neurotic Austrian paperhanger in a trench-coat, with dreams of his own . . .*

## CHAPTER I

ONLY the weather was beneficent in Frankfort-on-the-Main on the warm summer evening of June 7th, 1920.

Evil forces were abroad. Sinister figures crept through dim lit streets.

The German people were war weary and desperately hungry. Communism, Socialism and Democracy formed a hodge-podge of government unintelligible to any man. Defeated Germany was on the verge of internal anarchy and occupation by the victorious forces of the Allies.

Well-meaning leaders of the German people were working without rest trying to organize a German Republic from the chaos left behind by the fleeing Kaiser. President Fritz Ebert, the former saddle maker, was desperately trying to restore order and transform Germany's great war industry into peacetime production. His Minister of Finance, Mathias Erzberger, sought frantically for ways and means to meet the huge reparations demanded by the Allies to pay for the colossal destruction of the war.

Germany had sunk into an abyss of sullen frustration. Ordinary citizens feared to walk the streets. Marauders and thugs roamed at will, robbing, assaulting, killing—virtually without hindrance. Sporadic riots and revolts swept through the country. The future of the incipient Republic looked dismal.

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In this disorder, the seven sinister individuals that furtively approached an old-fashioned, inconspicuous house on the Kaiserplatz in Frankfort, were little noted and entirely unheeded by the preoccupied burghers of the metropolis on the Main.

They didn't reck and never knew—as the world at large was not to know—that the meeting of these seven men was to affect the lives of every human being in the world less than twenty years later.

*None knew, except the conspirators themselves, that the fateful plans they were initiating were to set the stage and prepare the way for a second attempt at world conquest.*

It would have been fantastic even to suspect a gathering of seven defeated Germans in 1920. What could they do? What decisions could they reach that

would alter the demonstrated fact that Germany had been beaten to her knees? Germany was threatened with occupation by the most powerful armed force ever assembled. The Germans were licked and the Allies were already constructing a world league which would forever outlaw war.

Even today—with documented proof of the many events which have transpired as a result of the meeting in Frankfort twenty-two years ago—it seems almost incredible that those seven men have come perilously close to accomplishing their purpose—the conquest and domination of the entire world.

Who were these seven men? Whence came their power to thwart the rest of the world in its idealistic effort to banish war among civilized nations? How have they come so far along the road to world conquest?

The record is one of incredible human gullibility—of human cupidity—of genius mixed with infamy—of treachery salted down with bribery—of utter contempt for man as an individual—a complete negation of the Christian concepts of ethics and morals.

In it Adolf Hitler will be discovered to have been the monstrous creation of a small group of wilful, powerful men—without whom Hitler would never have emerged from the obscurity of Munich's political underworld.

Presiding at the meeting in Frankfort was old Karl Duisberg, the brilliant chemist of Germany's first world war economy—the man who discovered and perfected ersatz materials and ersatz food.

Present was middle-aged Krupp von Bohlen und Halbach, the consort of Bertha Krupp, and the world's greatest manufacturer of armament.

There was Fritz Thyssen—the weak son of a pioneer German industrialist—also a steel master and arms manufacturer.

Next in order of prestige was Hjalmar Schacht, a former director of the National Bank of Germany and more recently the financial administrator in occupied Belgium who directed the financial looting of that unfortunate nation during the world war.

Less conspicuous were the other three men, all of

them much younger than the old chemist and the heavy industry barons.

Hermann Schmitz took precedence in the younger group. He had done a brilliant job as director of the "Kriegsrohstoff-Abteilung Chemie" — the war time organization of Germany's vast chemical industry.

The other two younger men were Schmitz's nephew, Max Ilgner and Heinrich Gattineau, old Duisberg's secretary.

The old men did the talking. The young men listened. For the moment the latter were cast in secondary roles. But mark their names. The world will long have reason to remember every one of them.

Duisberg stated the purpose of the evilly disposed gathering in a few curt words.

Said Duisberg:—

"The Kaiser and the Junkers have lost. But German industry has won. Today we are in a stronger position than ever before. By proper organization we can seize the markets of the world. We can not do this tonight—or perhaps tomorrow. It will take time. But it can be done. German planning and German thoroughness will make it possible in due course of time."

The fateful conversations in Frankfort continued throughout the night. In the early dawn of June 8th, the conspirators stole away to take up their self-assumed tasks of preparing for German aggression against the world.

It is not known in detail all that was talked about in Frankfort but decisions reached in this preparation for World War II included:—

1. The overthrow of the German Republic.
2. The debasement of German national finance.
3. The evasion of war reparation payments.
4. A working arrangement with industrial leaders of the major powers.
5. A world wide network of economic and political espionage.
6. The fomenting of disunity and disorder in the Allied nations.
7. The secret organization and rearmament of the world's most powerful war machine—to be used as a threat, or as an aggressive force in event other measures failed.
8. The demoralization of the German people by economic pressure against the vast majority of Germans dependent on industry for existence.
9. The creation of a corporative State in Germany—a total economy—controlled by Germany's industrial overlords.
10. The selection of a national political leader to serve as a screen for his creators, who would lead the masses in the paths to be laid out for them.

These were the essential subjects of discussion at

the first organization meeting for a total war economy. This was the skeleton outline for German aggression against the world.

Old Duisberg counseled patience. He urged that Germany must not strike again until she was completely prepared. He blamed the half-way measures of the Kaiser and the Junkers for the 1918 defeat.

There was considerable speculation about the "strong man" that must be found. Hindenburg was dismissed as too old—and probably too much of a Junker. Ludendorff was regarded as brilliant but too erratic and without any political sense. It was understood without words that no German industrialist could successfully appeal to the German masses. That problem was pigeon-holed for future consideration.

*Two hundred miles from Frankfort, a short, pop-eyed man, with a funny mustache, was earning a bare existence as a spy for the Reichswehr — the Army—in the ranks of the German Workers' Union.*

*None in Frankfort dreamed of his existence. Had they known of him, the little man with the funny mustache would have been dismissed as a demagogic clown—completely lacking in any kind of ability and not even taken seriously by the trade unionists upon whom he was spying.*

Those two old reactionaries—Krupp and Thyssen—proposed the restoration of the monarchy when the time was ripe. If the Kaiser were deemed unsuitable, there was the Crown Prince who might escape the blame for military defeat.

Krupp and Thyssen in 1920 still envisioned themselves as the dominant industrialists of post-war Germany. They were entirely unaware of plans brewing in the minds of old Karl Duisberg and his three young disciples. Duisberg had no intention of restoring the nobility—the Junkers—to places of power. The Junkers did not understand business. Nor did Karl Duisberg propose that heavy industry should continue to rule German economy. He had plans of his own for the promotion of the chemical industry to the pinnacle of German economic authority.

Thus was spawned the germ of total war almost before the echoes of exploding guns had died away on the Western Front. And had the Allies known of these fateful discussions, it is doubtful that anything would have been done. Old Duisberg and his associates would have been dismissed as disappointed old men, slightly hysterical in defeat and talking against the wind.

But today—as a result—the entire world is in arms! Most of the old men present at Frankfort are dead or in exile. The younger men have come very near making their dreams of world conquest come true.

The record is clear! The men, who plotted, planned and created the second world war, are known! ***None of them was named Adolf Hitler!***



# "GERMANY NEVER LOSES A WAR"

*Old Bismarck knew that Germany's chemical genius could rule the world—no matter what fate overtook her armies. But a defeated Germany after World War I needed money. Millions were waiting in America.*

## CHAPTER II

OLD Karl Duisberg spoke truly when he said Germany never loses a war. Germany—as a nation—has never lost a war because, regardless of losses suffered or military defeats inflicted, Germany has inevitably emerged ten-fold stronger in world commerce and power politics.

Many Germans may have been killed. Much material and property may have been destroyed. But German industry and international influence have always profited after war.

To understand this paradox, one must look to the masters of the huge German trusts—not the Army or the armament manufacturers. Particularly one must understand the universal nature and ramifications of the German chemical industry—"A State Within a State."

It is true that Krupp and Thyssen, who made huge profits out of promoting wars and manufacturing armament, had a large share of responsibility for World War I. Krupp, in particular, was well served by a world organization of agent-salesmen and agents provocateurs. But since the last quarter of the nineteenth century, the German chemical industry has been equally well or better served.

Krupp and the "Merchants of Death" have borne the onus of German militarism. The unknown masters of the chemical industry have thus far remained successfully in the background.

The creator of the German Empire—Bismarck—was the first world statesman to grasp the tremendous implications of chemistry in the modern world. Long before the Franco-Prussian War of 1870, the Iron Chancellor lent encouragement and aid to the infant German chemical industries.

In peace time the manufacture of dyes and pharmaceuticals is an apparently harmless occupation. It is not looked upon with suspicion by other powers. As a matter of fact, the unpublicized chemists are hailed as benefactors of mankind.

Wily Bismarck was well aware, however, that chemical invention is the father of high explosives. And the greatest cannon Krupp might construct would be useless without tremendously destructive explosives.

More important, the manufacturers and salesmen of harmless dyes and medicines had entry into the

innermost business circles in every nation—an entry barred in many cases to the salesmen of armament or explosives. More than any other commercial representative of Germany, the chemical agents had access to an intimate knowledge of international economics. This in an age of "economic war."

Bismarck made the most of the situation. The German Foreign Office maintained the closest relations with representatives abroad of German chemical firms.

As long ago as 1904, Karl Duisberg in a memorandum to the Imperial government urged the merger of all chemical firms into one huge trust. He said:—"The world-wide rule of German industry, (particularly the dye industry), which now exists, would then be secured for the future."

Duisberg could not accomplish this objective under the Kaiser until World War I, when all chemical industries in Germany were placed under the supervision of Hermann Schmitz and the Imperial government spent billions of marks in war subsidies for plant expansion and research.

However, Duisberg was not boasting in 1904. Germany did control world markets. The United States, Britain, and the rest of the world, were dependent on Germany for essential dyes and chemicals. German patents were the key to the manufacture of high explosives.

Germany's emergence as a dominant power was marked by the discovery of synthetic indigo and aniline towards the close of the last century. Cheap indigo flooded world markets and the indigo planters of India, of the southern United States and elsewhere, were ruined.

The discovery of aniline revolutionized the manufacture of pharmaceutical drugs, and even at the beginning of the twentieth century Imperial Germany was engaged in the ruinous practice of "dumping" chemicals to capture markets. The Nazis did not invent "dumping."

The venerable Julius Liebig—first of Germany's famed chemists—died long before the first world war. But the science he created produced three outstanding disciples and these three almost won the first world war for the Kaiser.

One was old Karl Duisberg, the arch plotter of

Frankfort, the chief chemist of the German Bayer Company, one of a number of German chemical firms. Duisberg's invention of ersatz clothes and ersatz food helped prolong the first world war long after Germany's internal production would have been exhausted.

Another was Karl Bosch, the chief chemist of Badische Anilin-und-Soda Fabrik. Bosch's contribution to prolonging the world war was the invention of chlorine poison gas, surpalite and yperite—the three deadly, poison gases that burst on an unsuspecting world in 1916.

The third was Fritz Haber, head of the Kaiser Wilhelm Institute, a research organization. Haber invented synthetic nitrogen for the manufacture of explosives and fertilizer when the Allied blockade had cut Germany off from all natural sources. More than any single man, Haber was responsible for prolonging the first world war by his discovery of how to make nitrogen out of the air.

It might be noted that Haber was a Jew. He was forced to retire when Hitler came into power and he died shortly afterwards, a disillusioned, disappointed old man. It is from confidantes of Haber that much of what transpired in pre-Nazi Germany is now known.

*These three elderly men—each a genius in his own field—have undoubtedly contributed much to the welfare of humanity. But their willingness to pervert science to the awful uses of a German war machine has more than offset their contributions to humanity.*

The three gifted scientists met at the Leuna plant of the I. G. Farben Company late in August in 1920. With them were Hermann Schmitz, Max Ilgner and Heinrich Gattineau.

The vast Leuna plant was idle. Its thousands of workers were unemployed. Only maintenance men and caretakers were at work. The Leuna plant and the Oppau works were built at a cost of more than one billion dollars to manufacture synthetic nitrogen. The people of Germany had paid for the plant investment.

Duisberg, Bosch and Haber were idling, waiting impatiently for some kind of order to emerge from the post-war chaos. Meanwhile, they met to consider prospects.

Duisberg again presided. He asked Hermann Schmitz to explain the tenor of conversations held a few weeks before in Frankfort. Haber and Bosch listened intently and in the way of research men took copious notes.

When Schmitz had concluded, Duisberg addressed Haber.

"Fritz," he said, "you have given us the commercial weapon with which we will recapture our international markets. Your synthetic nitrogen process is a secret that is still undiscovered by the rest of the world. We are equipped to manufacture and market the synthetic product far cheaper than nitrogen can be made from natural nitrates. With synthetic nitrogen as an entering wedge, we can recapture the dye and pharmaceutical markets."

"Ja, it can be," said the venerable Haber. "The Leuna and Oppau plants are ready for commercial production at a moment's notice."

**"Exactly, we have the plant capacity. We have property available that we could never have built ourselves. That is my thesis, gentlemen, German industry never loses in a war."**

The taciturn Bosch interpolated.

"What are we going to use for money? There are salaries to be paid and materials to be bought. The workers are now running wild and there is no money in Germany. What there is the Allies will demand. We should be lucky if they don't take our plants also. The Allies demand our products to pay the war reparations and the Weimer government has agreed."

Old Duisberg smiled tolerantly.

"Karl, Germany will not pay reparations," he said. "The figure is fantastic. Even the Allies must know that such a colossal sum can not be paid by one nation in goods without ruining the markets for all other nations."

"As for our own immediate financing, we have great reserves in Holland and more in Switzerland."

**"Even in America we have funds the United States has never uncovered. This money is held by citizens of those countries and, when the time is opportune, it will be available."**

Bosch was not so optimistic.

"We must resign ourselves to the loss of markets in North and South America," he said. "Europe, we can regain, I think, and perhaps the Balkans and the Middle East, even part of the Asiatic market. But America and Britain seized our patents during the war. They have built up respectable chemical industries of their own."

Hermann Schmitz grinned inquiringly at Duisberg and the old man nodded.

**"Herr Bosch," said Schmitz, "you forget that the patents seized by Washington and Britain are not enough. During the war, the Americans tried to manufacture Salvarsan from our patent. The result was mass poisoning in their army when they tried to use it to cure syphilis. WE HAVE ALWAYS WITHHELD ESSENTIAL INFORMATION WHEN WE FILED PATENTS. The Americans and the British will have to call on us for help before they can use our patents."**

"In that connection we should do something for Dr. Hugo Schweitzer. He was, as you know, the chief chemist for the American Bayer Company, until the United States entered the war. In that capacity, Schweitzer seriously curtailed American munitions manufacture by withholding great quantities of Phenol badly needed for the high explosives."

Haber roused himself from an apparent reverie.

"The same thing is true in connection with our patents in France and Switzerland, I believe."

"Quite true, Herr Haber," replied Schmitz. "England and America are developing an important chemical industry and we face competition. But we have



### READY FOR WORLD CONQUEST

**Karl Duisberg tells his Farben associates in 1925 that he has become the real boss of all German industry. Plans are made to oust foreign rivals and create a world monopoly.**

secrets and patents to trade and I think arrangements can be made. They quickly discovered the secrets of the poison gases and they have dyes that are not bad. But as Herr Duisberg pointed out, our first field is synthetic nitrogen. There we have a world monopoly. Afterwards we can proceed as the situation may seem to demand."

"How about the heavy industries, Krupp and Thyssen and the rest?" asked Bosch.

"They are with us," said Duisberg. "The heavy industries, under Krupp's direction, are financing the Free Corps of officers and soldiers. One day the Free Corps will take the lead in seizing the government. Meanwhile they serve to keep the socialist government distracted so that it can accomplish little."

"What about the banks?" inquired Haber. Schmitz replied.

"The banks are under our control," he said. "As things stand, there is no real money inside Germany. Schacht tells us that as a result of war financing through internal loans, there are less than three billion gold marks to back 90 billion notes in circulation. The banks are helpless. The only way

Germany can be financed is through foreign loans and only German industry is in a position to negotiate foreign loans. That is where synthetic nitrogen is of particular value."

"It is ironical," observed Haber. "Certainly, foreign bankers are not going to finance competitive German industry."

"Why not?" said Schmitz. "America has all of the money in the world now. She will be eager to invest it. Where better than in Germany, where, for a time at least, she can be assured of big returns. We will have no trouble there."

"That is sound, I suppose," said Haber, "but I am fearful of these plans for a new army. The Germans are badly beaten and I, for one, can not envision them entering another war. Not in our lifetime at least. Is an army necessary? Wouldn't a secret army infuriate the Allies? It would seem we could best accomplish our purpose through enterprise alone."

Duisberg replied:

"We hope so, Fritz," he said "Economic conquest without war by all means. But history shows that



when peaceful measures fail, arms must be employed. It is urgent that we have a powerful army, as a useful threat if for nothing else."

"We shall need a strong army also to keep our own government in line," said Schmitz.

"What is the Army's attitude?" asked Bosch.

"What would it be?" answered Duisberg. "They are professional officers. They don't know anything but army. They have to eat and they will follow anyone who promises to re-establish the German Army. Krupp and Thyssen are supporting them now through the Free Corps and we shall take steps to see that our men are placed to advantage in the Ministry of Defense."

"But, we shall not appear publicly in any of this?" said Schmitz.

"No—and that is most important," said Duisberg. "Business men are notoriously bad politicians. Take Thyssen as an example. He is riding for a fall. It is far better to buy and elect the politician. We should never appear openly or accept public office."

Haber again interrupted a protracted silence.

"It will take a powerful organization, Karl," he said, "the most powerful commercial organization in the world. It will require the most excellent brains and many of them. We are old men to begin anything so extensive."

Duisberg replied:

"Fritz," he said, "Germany has the best technical brains in the world. The war has developed many brilliant younger men. Like Hermann, and Max and Heinrich here. Later we will talk about personnel. Now, we must plan and await developments."

"And our plans?"

"Suppose we think abstractly for a while. Herr Bosch can consider Austria, the Balkans and the Near East, where he is acquainted. Herr Haber is well acquainted in Asia. Myself, I shall look into the rest of Europe."

"And America?"

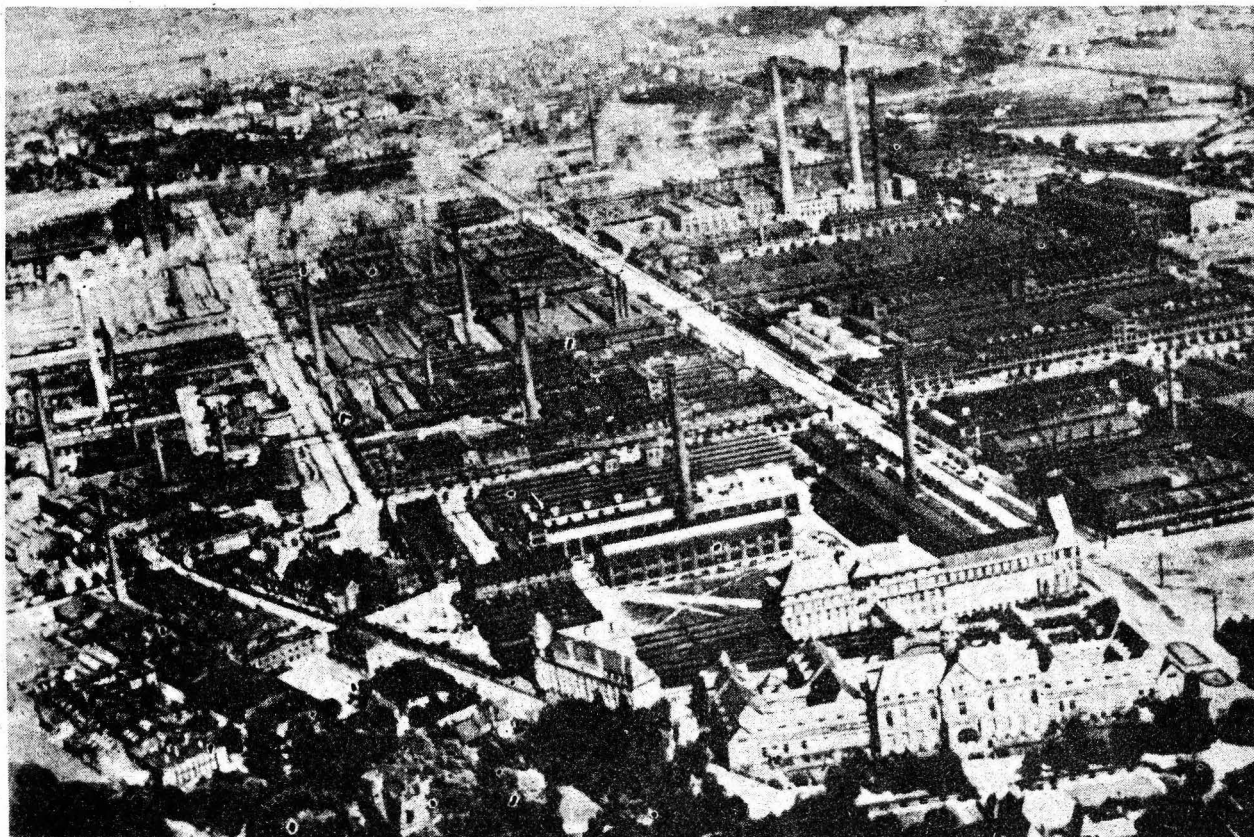
"America will be well taken care of. It is a young country. It demands the attention of young men. Herr Schmitz is a young man—and he knows America."

"There is much to be done," said Haber.

"Ja, much," said old Duisberg. "But nothing that is impossible."

Herr Schmitz was almost ecstatic as he followed the old men from the office in the Leuna plant of I. G. Farben. He was thinking far into the future.

And in Munich, a little man, with a funny mustache, was ranting to inattentive comrades in a beer hall, preaching his utter detestation of big business and corporations, demanding that the workers take over, organize national socialism. No one paid him much attention.



**The gigantic main plant, the Leuna Werk, capital of the I. G. Farben chemical empire. Here was held the meeting of the seven plunder barons in 1920, to draw up plans for World War II and for domination of the international chemical and drug markets.**



# ASSASSINATION OF THE REPUBLIC

*The destruction of Democracy begins at home. Murder and inflation, deliberately planned, undermined the people and their leaders. Out of chaos came Hitler.*

## CHAPTER III

A Republican form of government in Germany after World War I was foredoomed to destruction. The cards were stacked against German democratic aspirations even before the Republic was organized in 1919.

Looking back at the record it is surprising that the Republic lasted for fourteen years. The men in power under the Republic were no match either in intrigue or ability for the powerful interests arrayed against them.

However, no single factor can be held responsible for the downfall of the Republic. Certainly Adolf Hitler was more or less of an accident. The industrialists who made him possible got aboard the Nazi bandwagon at the last minute. And the dominant interests in the promotion of World War II almost missed it entirely.

Postwar Germany was a nation of opportunists after the defeat in 1918 and the history of the Weimar Republic is therefore one of confusion and apparent contradiction. The designers of World War II veered with the winds—waiting for the opportune moment.

\* \* \*

The National Assembly that met in Weimar in February, 1919, to elect Fritz Ebert the first president of Germany met in auspicious circumstances.

Idealists and pacifists in all of the Allied Nations urged support and help for the new Republic. It was firmly believed that the Germans had learned a terrible lesson in the war. It was hoped they could be taught the principles of democracy—the will to peace and an abhorrence of militarism. Bitter French statesmen were high-pressured by Anglo-Americans into lending the new Republic a helping hand.

Poor Ebert did his best. The former saddle maker had no training and little aptitude for statesmanship. However, as head of the Social Democrat Party and boss of the German labor movement, he was apparently the best available.

His problems began as soon as he took office. President Ebert's "strong man" was Mathias Erzberger, leader of the Catholic Center Party. It was Erzberger who came to terms with Marshal Foch in the forest of Compiègne in 1918. The German nationalists never forgave him for agreeing to the Armistice. Ebert appointed him Minister of Fi-

nance in a hope that Erzberger's well-known liberalism would lead to concessions by the Allies in the payment of war reparations.

Marauding assassins of the Free Corps—financed by the industrial barons—caught the Finance Minister unguarded in Baden during his first year in office and shot him to death. Erzberger's death was a loss from which the young Republic never recovered.

Ebert and his Cabinet probably suspected what was happening during the next two years after Erzberger's murder but they were too unskilled in high finance to fix the blame or take remedial steps.

German industry steadfastly refused to return to a peace-time production. Obviously this was the first move against the Republic. Hungry, disconsolate workers blamed the government for their woes. None could see the hidden hands of the barons of industry.

Nor could the people of Germany understand the debasement of German currency that was being systematically accomplished from abroad. The German organized raid against the mark was well under way when France occupied the Ruhr in 1923 to demand over-due payments of war reparations.

This was the first real opportunity to attack the Republic in a major way.

Incited by cleverly paid agitators, German workers went on a passive strike against the French occupation. Naturally, that only made matters worse and Germany reached her lowest economic depths in 1923 when the German mark was quoted at 42 billion to the American dollar!

The men behind the scenes who engineered this scheme met frequently that year. German industry pooled its resources to destroy democracy. For the moment, they were unsuccessful and Ebert hung on, striving without success to solve the financial disaster confronting him.

With the German mark at a fantastic figure, the next step was to obtain foreign loans to rehabilitate German finance. It was fondly hoped that reparations would be forgiven and forgotten.

However, it didn't pan out that way. On January 20th, 1921, shortly after the murder of Finance Minister Erzberger, representatives of the government were summoned to London and curtly presented with a bill for 66 billion gold marks—about \$16,500,000,-

000—as the sum fixed for war reparations.

It was to be paid in goods—coal, chemicals, steel and so forth—and in whatever gold marks might be available. France was the chief claimant. The United States expected some part might be used to repay the war debts owed her by the Allies.

Duisberg's prediction that the sum was impossible and that steps would be taken to prevent payment was amply borne out. Thus in 1923, former Vice President Charles G. Dawes arrived in Paris to see what could be done.

Dawes recognized the need for a foreign loan but he was unwilling to make the Germans an outright gift. After several months of negotiation, the Dawes Plan emerged. It provided for a loan of 800 million marks in gold for the Reichsbank, secured by mortgages on German National Railways and certain taxes. Germany was, thereafter, to pay her reparations bill at the rate of one billion gold marks a year, increasing to two and a half billion in the fifth year. These payments were to be paid in part in manufactured goods or raw materials.

The Dawes plan was bitterly opposed by German industrialists. They welcomed the loans, principally from America,—where, as Hermann Schmitz remarked, most of the money in the world was deposited—but they resented the payments.

President Ebert died of overwork and frustration during the first year of the Dawes Plan. He was succeeded by old Field Marshal von Hindenburg—the first evidence of success among the masses of the highly organized campaign to undermine the Republic. The workers had not forgotten the misery of 1923 when marks were 42 billion to the dollar.

Under a succession of liberal but politically inept Chancellors, Germany paid reparations until the gold devaluation by Britain in 1928. Then came the Young Plan which considerably reduced annual payments but demanded them all to be paid in gold marks. The Allies were suffering from a glut of German made goods in the world markets.

So far so good. But the wily high financiers in Germany were just starting. German banks failed and were unable to meet foreign commitments. The banks were controlled largely by the industrial bosses. The independent bankers went along with the business barons.

As a result in 1931, President Hoover yielded to German demands and declared a one year moratorium. The following year, 1932, Franz von Papen—the master villain of German foreign relations—who was then Chancellor, got the reparations reduced to a final payment of one billion gold marks.

**The billion was never paid because the next year Hitler came to power through Von Papen's conniving. And Hitler never pays debts—quite the contrary!**

Authoritative estimates fix the total of Germany's reparations payments at about 12 billion marks—mostly in goods and raw material. The German



THE LATE DR. KARL DUISBERG

**To the end, his chemical genius brewed trouble for the rest of the world in I. G. Farben's vast laboratories.**

master-minds didn't do so badly. By skillful financial legerdemain and callous disregard for the hideous starvation of the German people, they succeeded in bringing Germany up to the eve of World War II without paying more than 16 per cent of the bill submitted by the Allies.

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The reparations story is only one factor in the masterly intrigue that emanated from the original meeting in Frankfurt in 1920. It does not take into account huge private loans and investments by Americans in Germany. Henry Ford, General Motors, various oil companies, and others invested more than two billion dollars in Germany before Hitler. Hitler has it all now.

In addition, an estimated billion and a half dollars in private loans flowed from America to Germany. The last quotation on this sort of investment was about 25 cents on the dollar—with no possibility of payment. Of course the investments are now completely worthless until the outcome of the war is decided.

**Truly German financial cunning won the peace! It also destroyed the first German Republic!**

# BANKRUPT GERMANY REARMS IN SECRET

*Intrigue and Double-cross set the pattern for Germany's future. Out of the Black Reichswehr sprang a mighty military machine—armed in stealth, again awaiting DER TAG.*

## CHAPTER IV

**T**HE financial demoralization of the German people by their industrial masters was only one prong in the present German onslaught against the world.

Equally important—as enunciated by old Karl Duisberg many years ago—was the formation and equipment of the mightiest war machine in the world. Economic conquest as far as possible. A resort to arms when peaceful means are of no avail.

Many people are still shaking their heads in wonder today, as startled intelligence agents shook their heads in 1936, when a compact German Army equipped with new and deadlier weapons of war appeared on the Fascist side in the Spanish Civil War. How could Hitler have accomplished rearmament in three short years?

**He didn't: The German Army never ceased to exist. Since 1918, it has been supported financially and physically by the same German interests that engineered an appearance of German bankruptcy to deceive the Democracies.**

When Hitler came into power in 1933, he found a German Army ready trained and equipped—more deady efficient even then than the much vaunted French Army, supposedly the greatest Army in the world.

The Versailles Peace Treaty fixed the maximum size of the German Army at no more than 100,000 officers and men. It was to be limited to the preservation of internal order. In no circumstances were German militarists to be allowed to build up another monstrous war machine.

As has been recorded herein, this conception of the Allies was greeted with derision in Germany. The industrialists had no idea of disbanding their still efficient war machine.

President Ebert appointed General Wilhelm Groener as his chief military adviser when the Republic came into being. Groener accepted the appointment in all good faith. He had done a highly successful job in the World War by organizing military transport.

Groener had much to do with German labor and trade unionists during the war and his political sentiments favored the growth of the new Republic.

But Groener was a trustful soul and he surrounded himself with younger comrades-in-arms upon whom he thought he could rely. The small German

Army was of great importance in the early days of the Republic. It required exceptional officers to combat the various revolutions and riots that sought to oust the Ebert government.

Groener thought he had found them in a junior officer named Kurt von Schleicher and another named Von Seeckt. He was to be cruelly disillusioned.

Von Schleicher was from the outset the tool of German industrialists and early allied himself with National Socialism at their request. He was the active organizer of the Black Reichswehr—the German army trained in secret—through funds furnished by the vengeance seeking industrial barons.

But Schleicher had to feel his way during the term of Ebert. He kept very much in the background. Meanwhile, he was the transmission line for funds from industrialists to Major Duesterberg, organizer of the Stahlhelm (Steel Helmets), the veterans of the first World War.

Duesterberg's job was to keep the veterans militarily fit and nationalistic in sentiment—as opposed to democratic. Major Duesterberg did a good job but nevertheless he had to quit in 1933 when Hitler appeared. Duesterberg was of part Jewish origin.

More sinister, however, was Schleicher's support of the Free Corps whence came the assassins used to terrorize the Republican government and murder their ministers. Behind the scenes, Schleicher paid off Captain Erhardt, Captain Schlageter and other notorious Free Corps leaders. The Free Corps was admittedly organized to prevent the fulfillment of disarmament clauses in the Versailles Treaty. Its methods were to terrorize and harrass the government. The Free Corps had the heartiest support of the chemical and heavy industries of Germany.

Von Schleicher early organized the War Ministry on a scientific military basis for the training of a new High Command. As early as 1925, old Fritz Haber—the chemist inventor of synthetic nitrogen—held several confidential lectures before a select group of officers of the general staff without General Groener's knowledge.

Old Professor Haber analyzed the economic lessons that Germany should have learned from the first World War. He said Germany's principal failure was lack of preparation. Haber urged a total war economy before the next war was launched.



The old Professor hadn't the slightest doubt about the eventuality of another war. He denounced the Versailles Treaty as unworkable and declared that German destiny demanded hegemony over all Europe.

The old Professor, however, was merely introductory to another, and now much better known, lecturer at these secret sessions of Black Reichswehr officers.

The newcomer, long hidden behind the scenes was Herr Professor Major-General Karl E. Nikolaus Haushofer — the inventor of GEO-POLITIK, LEBENSRAUM, GROSSRAUMWIRTSCHAFT, and other Nazi jargon. His Institute of Geo-Politik in Munich was the pet of Duisberg and Schmitz and heavily financed by I. G. Farben.

Haushofer's theme was simple. All he demanded in his lectures at the War Ministry was a share for Germany in the determination of politics and markets everywhere in the world. His mission before the Black Reichswehr was to teach future Staff Officers the mechanics of achieving that aim.

General Professor Haushofer is 72 years old, another of the old men instrumental in bringing about World War II. As long ago as 1902, he conceived the idea of geo-politics—that a nation's destiny is essentially controlled by its geographical environment. In 1908, as a young officer, he visited Japan and Asia. Later he wrote a book on "The Geopolitik of the Pacific"—the bible today of the Japanese in the war against America, Britain, China and the Netherlands.

Haushofer became a professor of geography at the Munich University in 1910 and proceeded to develop his theories on "lebensraum"—living space—and "grossraumwirtschaft"—continental economy. During the World War, he served as a Major-General in the artillery. After the war he returned to Munich.

Von Schleicher with an eye on Rudolph Hess, Hitler and Ludendorff employed Haushofer to watch them. Thus on November 8th, 1923, when Hitler led the opera bouffe Munich beer hall putsch, Haushofer was on the job. During the few months Hitler and Hess were in the Landsberg prison after the attempted revolt, Haushofer and his wife were frequent visitors. Today the old geo-politician is given much credit for the weird concepts of Hitler as set forth in "Mein Kampf."

However, when Haushofer was expounding world hegemony to the officers of the Black Reichswehr in 1925, Adolf Hitler was still unimportant. As an agitator and trouble maker for the Republic, he was an ally of the industrialists. He was paid off as such, and watched accordingly. It was surprising in 1933, how many agents of the big industries revealed themselves as marchers in the original Hitler putsch ten years before. No one had ever suspected it until Hitler was Chancellor.

But in 1925, rearmament operations were still

secret. After Ebert died and Hindenburg became President, Schleicher and his associates became bolder.

It was all very well to have a highly skilled staff command, versed in geo-politics as well as the science of war. Equally important was the recruiting and training of youth for service in the ranks.

This phase was undertaken cautiously because the most obtuse Allied intelligence officer could scarcely fail to note military training in the mass.

In the late twenties was begun the organization of sports camps and recreational centers throughout Germany. All the young in Germany apparently became suddenly interested in physical culture. Long hikes and calisthenics were the order of the day. Equally noticeable was the organization of glider clubs. The construction of military planes was forbidden by the Allies.

By 1930, when Hitler was beginning to show some strength—the Nazis had 107 out of 342 seats in the Reichstag—Von Schleicher came out in the open.

Hermann Goering had organized the Nazi Storm Troopers and as street fighters they were terrorizing the electorate, intimidating Germans into voting for the Nazis.

General Groener—now Minister of Defense as well as of the interior—had control of the police as well as the Army. He forbade the wearing of Nazi uniforms and Schleicher began intriguing through Major Oscar von Hindenburg, son of the ancient and now senile President. Before the year was up, Groener was out and Schleicher was in.

Thenceforth the lid was off. The Nazi gangsters were allowed the widest latitude and the wraps were taken off the Black Reichswehr to a certain extent. However, the cautious Schleicher, who had thus far skillfully concealed his activities from both the Republican Reichstag and the Allies, proceeded slowly.

Cleverly directing Palace intrigue, Von Schleicher engineered the idealistic Chancellor Bruening into invoking Article 48 of the Weimar Constitution. Bruening was then trying to govern during the second panic precipitated by the financial jugglers responsible for the breakdown of the Republic's finances.

Article 48 provided for government by decree during an emergency. Its effect was to nullify the authority of the Reichstag. Under Bruening the administration of government by decree was moderate.

However, Schleicher shortly ousted Bruening through his influence in the Presidential Palace and set up Franz von Papen—another master of intrigue and double-crossing—as Chancellor. Von Papen, is of course well-known as the director of German spies and saboteurs in the United States during World War I.

Von Papen continued to govern by decree. He lasted only a few months. Apparently he had met his master in Schleicher. The ancient Hindenburg



#### HAUSHOFER: HITLER'S ONE-MAN BRAIN TRUST

He guided Hitler from the first. "Lebensraum" (Room for Living) and "Grossraumwirtschaft" (Continent-wide Economy) were two of the ideas of Professor Major-General Karl E. Nikolaus Haushofer, head of the famous Geopolitik Academy in Munich. The scholarly plotter of German world domination maintained, as long as 30 years ago, that the Japanese were destined to conquer and rule the Far East.

had to dismiss Von Papen and asked Schleicher to form a government at the end of 1932.

Schleicher pretended to be courting the German labor elements and worked heel and toe between Hitler's Nazi Party and the legitimate trade unionists. His real purpose was to break up trade unions and political parties. His mistake was to intrigue with Gregor Strasser to oust Hitler as Nazi leader.

A new element had entered the perfidious relationship. Aware of Hitler's powers to sway the German masses, large sections of German industry were devoting their major funds to the Nazi party. They had entertained and courted Goering, Hess and at length Hitler.

Then, Von Papen stepped back into the picture and persuaded old Hindenburg that Schleicher was plotting a revolt. He also told the old President that Schleicher planned to reveal some several millions of marks in graft of government funds—American loans—by the Junkers. Part of the graft was the purchase of a large landed estate for Hindenburg, the site of his place of birth. The head of the committee which did this was Karl Duisberg. Actually the senile old President was guiltless. The deal was swung by his son, Major Oscar, with the aid and connivance of Von Papen.

In the ensuing elections, Von Papen threw his weight to Hitler and the Nazis won 288 seats in the Reichstag. Coupled with the 52 seats of the industrialist dominated Nationalist Party, Hitler won a majority in the German parliament. It has never existed as a legislative body since because in March,

1933, Hitler became Chancellor and using Article 48 of the Constitution—so unfortunately employed by the liberal-minded Bruening from 1930 to 1932—government in Germany has been "legally" by decree ever since.

**Von Schleicher went down fast. He and his wife were finally murdered by Goering's assassins in their Berlin home during the June purges of 1934.**

However, Schleicher had done a marvelous job. He deserved a better fate from the designers of World War II. How much money passed through his hands to finance the illegal Black Reichswehr will probably never be known. It must have amounted to billions of marks during the fourteen years of the Republic. It was a masterpiece in deception. Few knew that the German Army was ready the moment Hitler became Chancellor.

All the Army needed was equipment. It was on its way. **German industry had been furiously busy during the rise and fall of the Republic.**

Not only had funds been provided for training an Army, but the industrialists had penetrated every corner of the globe, organizing one of the most efficient espionage and propaganda machines the world has known. Fifth columns were ready for Hitler. New machines, new synthetics, new explosives, everything was ready to go into production.

But that is the story of the emergence of the "Interessengemeinschaft Farbenindustrie Aktiengesellschaft"—**THE GREATEST AND MOST POWERFUL CORPORATION ON EARTH**—the "State Within a State" that is actually responsible for Hitlerism.



# THE OCTOPUS: I. G. FARBEN

*All the world welcomed the blessings of Germany's chemical magic, blissfully unaware that the dimes and quarters they paid for it were feeding a monster of destruction.*

## CHAPTER V

**I**N 1925, the United States, Great Britain, France, Japan, Italy, China, Portugal, Belgium and Holland, met in Washington and solemnly ratified the Nine Power Arms Limitation Treaties. The same year the German Republic solemnly ratified the Locarno anti-war treaties.

The people of the United States, however, were far more interested in the pyrotechnics of the Scopes "monkey trial" at Dayton, Tennessee, and the oratorical talents of William Jennings Bryan and Clarence Darrow. Thinking people nodded in approval over the Nine Power Treaties and the Locarno pact and relaxed into a feeling of security.

A very different sort of meeting was held in Berlin late in 1925. Again old Karl Duisberg presided. Present were a majority of the conspirators of Frankfort. But present, also, were many newcomers—men who were to work unpublicized and unknown in preparation for the second World War.

Old Fritz Haber was there as was Karl Bosch, the other two members of the chemical trio.

The three old men were triumphant. After the death of President Ebert in the previous February and the incumbency of President Field Marshal von Hindenburg, the three old men had achieved a lifetime ambition.

They had merged every important chemical firm in Germany into one huge trust! It was capitalized at a comparatively modest figure. Its hidden assets and its plant equipment were enormous. It was ready for world conquest!

It was known as "Interessengemeinschaft Farben-industrie Aktiengesellschaft." In the United States it was known more simply as I. G. Farben. In nations throughout the world it was to remain unknown under many different names. However, the center of this most powerful economic and espionage organization was always to be at the headquarters in Berlin.

Karl Duisberg, as a fitting tribute to the leading spirit responsible for Farben, was chairman of the Board. Old Karl Bosch was President.

Among the newcomers was Walter vom Rath, vice chairman of Farben, a hitherto unknown Colonel Georg Thomas, of as yet uncertain status, a Dr. Otto Klein, a Professor Othmar Spann of Vienna, Albert Voegler, director general of the United Steel

Works, another monster trust, old Adolf Kirdorf, already in his eighties but czar of the German Coal Trust, Krupp von Bohlen, Fritz Thyssen, Hjalmar Schacht, Hugo Stinnes and many others.

Also present were the younger men—Hermann Schmitz, Max Ilgner, Heinrich Gattineau and many others!

Strangely enough this was not a board meeting of I. G. Farben. It was even more important.

It was for the announcement of old Karl Duisberg that henceforth he was the boss of all German industry—that the heavy industries, the steel masters, must give way to the chemical trust and be subordinate to it.

The heavy industries knew when they were licked. Duisberg's success in merging the chemical firms made him the most powerful figure in German big business.

Stinnes, Krupp and Thyssen had remained mute a few months before when Duisberg high-pressured a Krupp Director, Dr. Sorge, out of the presidency of the all-powerful central German business organization—the "Reichsverband der Deutschen Industrie." The chemical trust took over the former dominant position of the heavy industries.

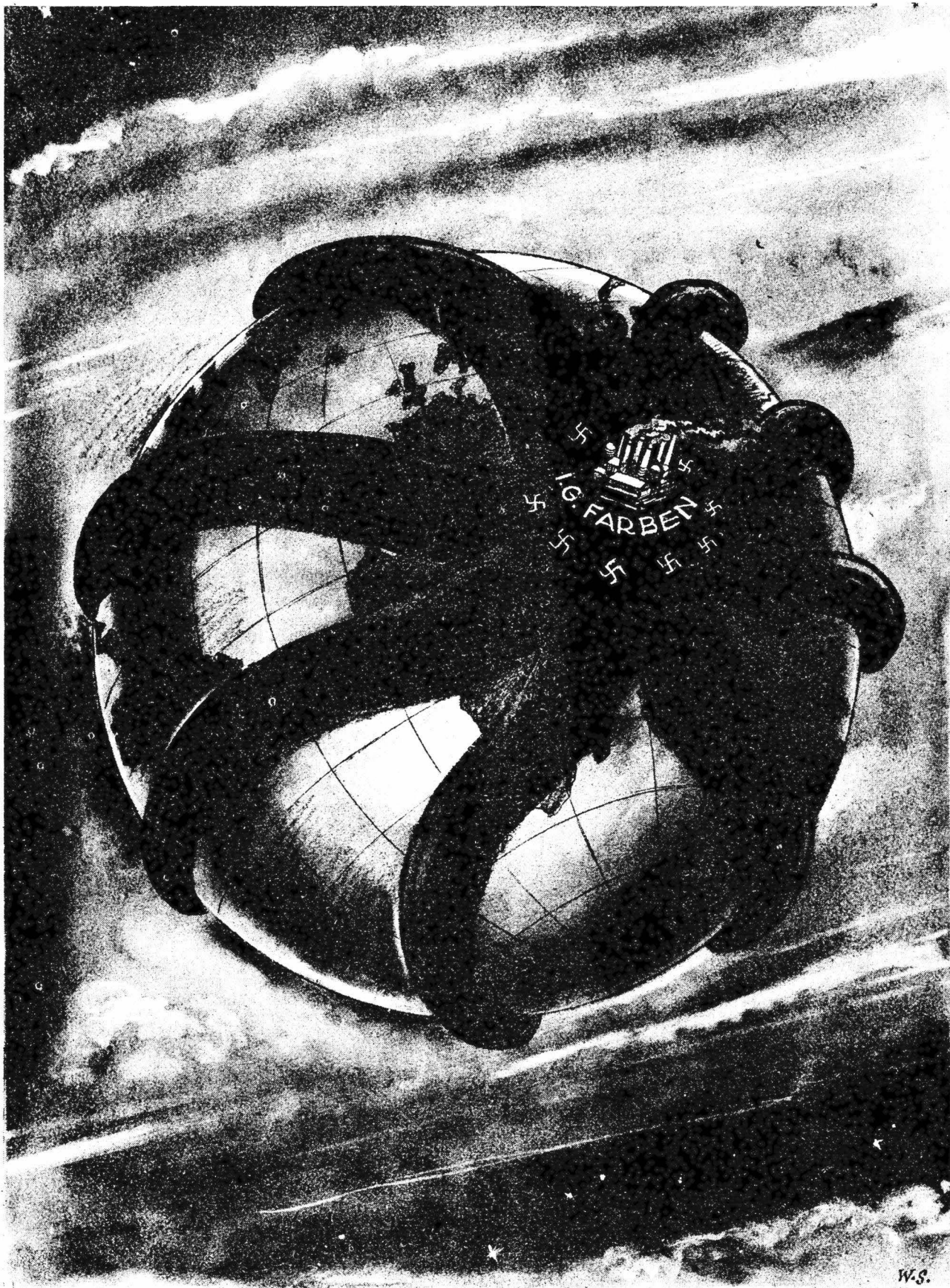
However, Krupp hadn't been idle. Nor Thyssen or Stinnes. Krupp had safely and successfully transferred vast quantities of arms and machines for armament manufacture to a dummy company in Holland. Other dummy companies were already set up and operating in Spain.

Stinnes had been a leading figure in the debasement of the German currency by his raids on the German mark. And Thyssen was the leader of the passive strike against the French in 1923. German industrialists had accomplished much unknown to the Allies. There was still much to do.

Old Karl Duisberg—with his right hand man Hermann Schmitz—was to direct the future. Schmitz was now Director General of I. G. Farben.

There were to be betrayals and desertions from the German cause in years to come and the sense of the Berlin meeting was to be revealed long after World War II was begun. But for many years the skill and deception imposed on the gullibility of the democracies was to maintain the secret.

In his role as the Big Boss of German Big Busi-





ness, Duisberg opened the meeting.

"Germany," said Duisberg, "has re-established confidence among the other powers. The signing of the Locarno Treaty was a master stroke. Shortly, from information we have received, the German Republic will be admitted to the League of Nations."

Old Duisberg was right. Germany entered the League within the year.

"Meanwhile," he continued, "we must act with great circumspection. We must appear to support the Republic. Until we are ready none must suspect our ultimate design. You have been informed by a prepared memorandum in a general way of our plan of campaign."

The big bosses of German industry listened intently as Duisberg continued.

"First we must re-establish our position internationally in the world of trade. We must build up a far more perfect information and intelligence service than prevailed before the last war. We must establish business and social connections in all foreign countries.

***Our agents must become citizens of foreign countries so that next time we will not lose our foreign investments and patents. They must be owned by naturalized citizens of foreign nations.***

"In this connection, we must set up holding companies in traditionally neutral nations so that contact can be maintained and funds transferred during war time. We have already organized I. G. Chemie in Switzerland as a holding company for all our foreign enterprises. We plan to set up similar holding companies in Holland in the near future."

Duisberg then turned to the main objective, the offensive in the Western Hemisphere.

***"In the United States we have regained complete control of all our former holdings and extended into new. They will later be combined in one trust. This we shall call the American I. G. Chemical Corporation (later to be known as the General Aniline and Film Corporation). Shortly we expect to have control of South American imports and our agents are already located there. We have a working agreement that controls the French chemical industry and negotiations are under way in Switzerland, in Italy, and in Japan. We can coerce these countries. In England and the United States we must act with more circumspection. But we have patents and secrets they must have if they are to compete. We can come to satisfactory arrangements without interfering with our ultimate goal."***

Colonel Thomas was seen to nod warm approval when Duisberg said:

"Second, we must re-arm and re-equip the German Army in a way far superior to the German Army of the last war. The chemical industry is prepared to make Germany self-sufficient during the period of an enemy blockade. It will produce new explosives, new gases, war material, and synthetics on a scale undreamed of before. I assure you, gentlemen, that this can be done. The methods have been perfected."

According to one present, old Duisberg decreed

the death of the Republic at that meeting. He said:—

"This leads me to the final problem. We can not accomplish our plans without the complete cooperation of the German government. We must have intimate contact with German envoys abroad, the complete cooperation of the German Foreign Office, the German Finance Minister, and the German Minister of Economics. We already have a secret control of the War Ministry. In short, gentlemen, we must control the German government."

Duisberg then concluded:—

"This can not be done under the Republic but with Herr Field Marshal von Hindenburg in power, we now see our way clear. Let me caution once more that we must act with great circumspection until we are ready. We are not yet sufficiently strong. We may be in a few years or may be in many years.

"But as to our business set-up abroad, I shall call on young Herr Max Ilgner to report on America."

Young Herr Ilgner's reports were more complete, however, at a later date. They will be reserved for a later chapter. Likewise reports from Latin-America, Europe and elsewhere.

However, old Fritz Haber had a report of consequence in 1925. He had just returned from an extensive tour of Japan and China.

"As you know," reported old Fritz Haber, "our only serious competitors in world markets are the Dupont and Allied Chemical companies of the United States and the Imperial Chemical company of Great Britain. All have competent men and vast resources. In many instances we shall have to make a deal with these three, agreeing to divide rather than compete in certain markets.

"It would seem we can control Europe. England has established a 33 per cent tariff against dye and chemical imports and we are stopped there for the time being. The United States is being developed. And Latin-American prospects are excellent. The British Empire is doubtful.

"However, in Japan and China I can assure you we can take the markets away from any competitor. China is in a state of disorganization. There is no established government and one simply deals with War Lords or native importers. There is a vast market in China."

Krupp paid particular attention when Haber declared:—

"Japan presents a more serious situation. The government in power is liberally inclined and not receptive to our proposals. There is on the other hand a strong nationalistic group—as there is in Germany today—that is preparing for the future.

"The nationalists in Japan control the Army and have great influence in the Navy. Among the populace many secret nationalistic societies flourish. They are well-versed in Herr Professor Haushofer's book on "The Geo-politics of the Pacific." The economics of the situation make a Japanese attack on China inevitable, **EVENTUALLY, JAPAN WILL FIGHT THE ANGLO-SAXON POWERS FOR SUPREMACY.**"

Thus Haber concluded:—

"For these reasons the Japanese wish to tie up with us to learn from us the tricks of manufacture—at least to learn it quicker than they could learn it themselves. They want especially to learn it from us because of their fierce competition in the Chinese market with the United States and England.

"German patents seized by Japan in the war have been turned over to two big concerns—Mitsui and Mitsubishi—who are most willing to have Farben men come to their plants and help them. In that connection, we reached a tentative agreement for the sale of synthetic nitrogen in the Far East."

Old Fritz wound up his Far Eastern report on a note of optimism. He said:—

"I left negotiations in the hands of our Ambassador, Dr. Solf, in Tokio. He is a very able man and will cooperate fully with our agents. Incidentally, the Japanese Army is very much interested in German weapons and methods of waging war. Our military attaches should make much progress there. That briefly sums up the situation in Asia at this time."

Krupp von Bohlen, however, had many questions to ask concerning Japanese and Chinese armament needs. He was prepared to fill them from his plants in Holland and Spain. Krupp at that time was experimenting with models and new designs in his Essen plant. His actual manufacture was done abroad to escape the inspectors of the International Arms Control Commission.

Duisberg returned to the order of business, however, with a request for a report from his young Director-General Hermann Schmitz.

Schmitz reported:—

"Herr Professor Haber was too modest in his mention of synthetic nitrogen. He hesitates to speak of his own great discovery.

"I can report, however, that shortly we will control an International Nitrogen Cartel absolutely dominating its manufacture everywhere. Chile, the greatest source of nitrogen, is already willing to come to terms. But the American Guggenheims are fighting us trying to restore Chile's nitrate trade. They cannot win because we are prepared always to under-sell them—even if it means giving our product away.

"It is essential that we control the nitrogen trade because that will be our greatest source of revenue for the penetration of other chemical markets. We think that will have been accomplished within a very few years."

Schmitz then launched the Farben plan for a price war throughout the world. He continued:—

"It is essential also that all German manufacturers in the export trade must be willing to under-sell—that is to say 'dump' as our competitors express it—until we have control of the foreign market. Nitrogen will enable us to finance dumping in other fields. We shall need the help of the combined resources of everyone present. But I am certain that all will profit in the long run."

There was much discussion and many questions asked when Schmitz sat down—particularly about politics in the Presidential Palace. Schmitz suggested

that talk of internal politics was premature. Some one asked about developments in the Army. Fritz Thyssen was reported to have asked this question—evidently wanting to compare his own information. Krupp and Stinnes seemed equally interested.

Duisberg called on the heretofore silent and heretofore unknown young Colonel Georg Thomas. The officer was brief and crisp, a German soldier of long standing.

"Things proceed well in the Army," said Colonel Thomas. "General von Schleicher has the situation well in hand. We have organized the 'Wehrwirtschaft'—the War Economy division. I have the honor to head it. It must be conducted in secret. It trains staff officers for a future army. We have the support and benefit of lectures by the leading professors and experts of Germany. This is, of course, given in the greatest degree of confidence."

Colonel Thomas answered many questions put to him. The industrial barons appeared very well satisfied. Later, the Colonel became Major-General and headed Hitler's War Economy Board. He was, economically, an apt pupil of Duisberg, Haber, Schmitz, and I. G. Farben.

They imbued him with their spirit of economic imperialism and taught him their methods, according to which a war economy should be as minutely and scientifically, as coldly planned and carried out as a chemical experiment in the laboratory.

But eight more years were to intervene before the Colonel became Major-General Thomas under Der Fuehrer.

Many new personalities all over the world were to be discovered and nurtured by I. G. Farben during the next eight years. As old Fritz Haber might have expressed it "Ja, there is much to be done before we are ready for The Leader." At that time, Thyssen and Kirdorf and Stinnes and others were still thinking of the restoration of the Hohenzollerns.

That year, in 1925, the year of peace pacts and disarmament treaties, Adolf Hitler's book "Mein Kampf," first saw the light of day. It was published in Munich and had a small circulation. It was reprinted again in 1927, when the Nazis met at their first Congress in Nuremberg, and had a greater circulation. Not, however, until after 1933, when Der Fuehrer did his own publishing, did "Mein Kampf" become compulsory reading for every German, young and old.

In 1925, the industrial barons pursued their sinister plans under the direction of I. G. Farben, contributing to the publication of "Mein Kampf" as an irritant to the Republic, but disdaining that year even to read copies given them in return for their contributions.

The achievement of a world conquest peaceably if possible; by a resort to arms if necessary—preoccupied the men who left the office of I. G. Farben in Berlin in 1925. Each had a definite task to perform. Herr Schmitz had the biggest job of all—the first to plant his agents in all departments of the German Republic.

# A MILLION FOR THE LITTLE MAN OF MUNICH

*German science had achieved many miracles. It was child's play to produce an ersatz Napoleon. Adolf Hitler became the puppet; I. G. Farben became the State.*

## CHAPTER VI

**T**HE German people were comparatively happy for a few brief years after the stabilization of their currency in 1925 and popular well-being found expression in a smashing democratic victory in the 1928 elections.

The anti-democratic forces were biding their time, completing their world organization and subtly penetrating the ranks of the German government.

The German Army worked firmly entrenched in a secluded position as a professional Army under the cunning direction of General Von Schleicher.

In the vast plants of the I. G. Farben Company many and amazing experiments were completed. Farben was impatient for the advent of a friendly government that would subsidize production. The Republic showed no interest in the manufacture of explosives, of poison gases, or synthetics for natural products which could be imported cheaper.

Karl Duisberg, Karl Bosch, and Fritz Haber were aging rapidly. More and more Hermann Schmitz and Max Ilgner took over active direction of I. G. Farben's rapidly expanding industrial empire. The old men advised. The young men executed. The young men were to thank their lucky stars the old men stayed on the job because they might have missed the Nazi bandwagon entirely.

By 1931, Schmitz had completely recaptured the entire European chemical market. The big French firm—Etablissements Kuhlmann—was forced into a more binding agreement in 1927 by a reckless policy of price-cutting. Two years later, the same tactics secured control for Farben of the three largest chemical companies in Switzerland—the Ciba, the Geigy and the Sandoz companies.

The German-French-Swiss trust was rounded off in 1931 when Mussolini forced the Italian firm of Montecatini to join the Farben monopoly. Il Duce was ambitious to establish a great Italian chemical industry for war purposes. Farben patents and Farben technique were needed.

In Fascist Italy, Montecatini had no choice. The *Associazione Chimiche Nazionali* was organized to manufacture all dyes, heavy chemicals and aluminum. Farben took 49 percent of the stock. Montecatini got 51 percent but because again of patent control, the Italian industry was shortly just another Farben plant in Europe.

It was at this point that Karl Duisberg's famous

policy-making speech was made in Munich (March 26, 1931).

*"Only a solid economic bloc from Odessa to Bordeaux will give Europe that economic backbone which it needs in order to maintain its position in the world," said Duisberg.*

In effect, long before the German armies stood in Odessa and in Bordeaux, the leaders of I. G. Farben by propaganda, espionage and economic control, had marked the imperialistic ways of Hitler's "New Order."

Thus I. G. Farben controlled all of Europe and by 1932 the dye production in Europe was apportioned 5 percent each to Switzerland and Italy, 8 percent to France, and 82 PERCENT to I. G. Farben.

In 1930, even the comparatively strong British chemical industry had to make certain market arrangements with Farben. In the same year, Schmitz achieved his dream of an International Nitrogen Cartel, forcing his principal competitors, France and Chile, to yield to Farben's policy of quota restrictions in favor of German preponderance.

While accomplishing this economic conquest in Europe, Schmitz, Duisberg, Bosch and Haber were working behind the scenes—through von Schleicher—extending their influence in army and civil service circles—with particular attention to the Ministry of Finance, the Ministry of Economics, the Economic Department of the German Foreign Office and the Economic Department of the Ministry of War.

*With income rolling in from the four corners of the globe, these four men were rapidly becoming the most powerful in Germany—so powerful that even the democratic leaders could not ignore them.*

Schmitz had already placed his own man, Ministerial-Director Ritter, in charge of the Foreign Office Economic Department. Ritter was later to be sent to Brazil as Ambassador by Hitler and be expelled for subversive activities.

I. G. Farben's real opportunity came, however, in the wake of the Wall Street crash in October, 1929. The impact of the financial disaster in America spread rapidly to Germany where it was fostered and encouraged by the industrial barons. Unemployment rose in Germany and the German budget staggered.

The German Finance Minister at the time was Dr. Rudolf Hilfering (recently murdered by the Gestapo after his extradition by Vichy), a social Democrat



who proposed to float a foreign loan to check the panic. President Hjalmar Schacht, of the Reichsbank, objected.

Schacht had only recently emerged in his real colors by protesting violently against the terms of the Young Plan. Now he stepped all the way out and flatly demanded a change in government policy to one under the influence and in the confidence of German business. Schacht's was the voice but Schmitz was the man who formulated the demands.

Both Schacht and Schmitz were operating closely with General von Schleicher who by now was persona grata with President Hindenburg through the influence of the old man's son, Major Oscar, that sinister spawn of the Junkers.

The combination of Army and Big Business—with intimate entree to the Presidential Palace—was too much for Hilferding. He was forced to resign; a member of the board of I. G. Farben—a Dr. Moldenhauer—became Minister of Finance.

Moldenhauer served as the spearhead of the anti-democratic forces seeking to oust the existing government and set up a government controlled by an informal committee of "Big Business and Army" which would prepare for the restoration of the Hohenzollerns as the only guarantee against a government of "political democracy and international reconciliation."

By March, 1930, the intriguers had succeeded. The government of Chancellor Hermann Mueller was forced to resign. Mueller was a former chairman of the German Apprentices Union and a signer of the Versailles Treaty. As such, he was anathema to "Business and the Army."

Heinrich Bruening, leader of the conservative wing of the Catholic Party, was called to form a new Cabinet. With Bruening as Chancellor, Schmitz gained his strongest personal foothold in the German government.

As they were against Ebert in 1925, the cards were stacked against Dr. Bruening in 1930. German banks were failing right and left, declaring their inability to meet their obligations. Unemployment was at a new peak. Bruening was universally regarded as a spiritually independent man and no one suspected his motives in allowing Hermann Schmitz virtually to take over the government.

Bruening was apparently convinced that the only way out of the misery that endangered the Republic was close co-operation with the Army and that part of Big Business that apparently did not support an outright Nazi revolution.

Duisberg and Schmitz had played their cards cleverly. Never in the history of the Republic did they appear openly against it. As a matter of fact, by reposing too much confidence in Schleicher they almost lost out entirely.

From the very beginning Hermann Schmitz was Chancellor Bruening's principal advisor. The other was General Kurt von Schleicher—the creature of I. G. Farben. Schmitz represented "Big Business" and Schleicher the Army—the two major factors on which Bruening relied to restore stability.

Bruening offered Schmitz the post of Minister of Economics but Schmitz followed old Duisberg's policy. He refused. I. G. Farben wanted to rule but it didn't want to take the responsibility for government. But from behind the scenes with the help of Article 48, I. G. Farben did rule Germany by decrees through Bruening. The Reichstag was shortly to be known as a veritable "Schwatzbude" (chatter box), a name contemptuously applied to it by Bismarck many years ago and revived by the industrial barons under Bruening.

*The following year (1931) things had gone from bad to worse. Chancellor Bruening's efforts to re-establish the Republic met with growing opposition from the right and the National Socialist Party was beginning to show its strength.*

Bruening again offered Schmitz the post of Minister of Economics (in Oct. 1931). This time Schmitz accepted. However, at the last moment an accident happened. Bruening, presiding at a meeting of the Cabinet, was just about to move the formal appointment of Schmitz when his secretary placed a slip of paper on the table before him.

Bruening's face whitened and in the midst of his speech he stopped short. The slip of paper was a report that I. G. Farben in violation of the German Foreign Exchange laws had concealed its huge foreign holdings from the Reichsbank. Farben was just now declaring some of its assets in view of a just published amnesty which was coupled with strong penalties for further violations. There is little doubt that Hermann Schmitz arranged this bit of byplay intentionally in order to withdraw again from public responsibility.

As always, Schmitz preferred to remain in the background. That has been the technique of all the I. G. Farben wire-pullers. Their products are well-known, but their machinations were known to few.

The incident did not affect I. G. Farben's relations with the government. The monster trust was too important to be ignored. Instead of Hermann Schmitz, another Farben man—Dr. Hermann Warmbold—became Minister of Economics. Schmitz now controlled the War Ministry, the Minister of Finance, the Minister of Economics, and the Economics Department of the Foreign Office. His dream of a government by Big Business and the Army was on the way to being realized.

I. G. Farben apparently blundered badly soon after Farben men had been appointed to strategic posts in the Ministries of the Bruening government. Hermann Schmitz persuaded Chancellor Bruening and his Foreign Secretary Curtius to incorporate Germany and Austria into one customs union.

To the world at large—particularly to the democracies—this was subsequently made to appear as a disaster to Germany. Perhaps it was a disaster to the German people. It was a tremendous triumph for I. G. Farben and the Nazi pace-makers striving for the downfall of the Republic.

As a matter of fact, Herman Schmitz had once more planned very carefully. If the Bruening government got away with this incipient "Anschluss," I. G. Farben stood to prosper. For I. G. Farben al-



W.S.

### CONTRIBUTION TOWARD CHAOS

ready owned the Oesterreichische Dynamit A. G. in Vienna and thus dominated the manufacture of explosives in Austria.

Farben in addition owned the Anilin Chemie A. G. in Vienna which controlled the chemical and pharmaceutical markets of Austria. Anilin Chemie by its predominance was the sole trading company for all Austrian chemical manufacturers. Thus I. G. Farben indirectly controlled the entire Austrian chemical field and much of the market in the adjacent Balkan countries.

It was to I. G. Farben's very great interest, therefore, to get Austria and Germany to live within one common tariff frontier. This move was regarded as a prelude to Germany taking over Austria completely.

France roared and threatened occupation. Little Czechoslovakia, threatened with this encirclement by Austrian and German territories, was frightened. The Little Entente—Yugoslavia, Rumania, and Czechoslovakia, together with France and Poland—bared their teeth.

Not since the assassination of Archduke Francis Ferdinand in 1914 had Europe been confronted with so serious a crisis. It was engineered and worked out by Hermann Schmitz and Max Ilgner at "Buero I. G., Berlin NW7."

Into this situation stepped President Hoover. France's threats against Germany implied the bankruptcy of the German nation. Huge reparations payments were due and the Germans were still pleading their inability to pay.

More important the tremendous value of American private investments in Germany was at stake, and President Hoover declared the one-year moratorium on reparations.

However, France continued to stall and threaten and in Germany the same raiders that acted in concert in the crisis of 1924—during the Ruhr occupation and the passive strike of Fritz Thyssen and the heavy industries—struck again at the finances of the Weimar Republic.

Germany literally went bankrupt. American investments were frozen. Banks closed and the moratorium on reparations meant that payments would never be resumed. Chancellor Bruening and Foreign Secretary Curtius were forced to renounce the "Anschluss" with Austria. The Weimar Republic was utterly discredited among the disillusioned German people. The way was now clear for the coming of Hitler.

***This Farben inspired coup, however, not only spelled the end of the Republic, it liquidated a huge German debt to America. Germany was bankrupt and couldn't pay, although it retained the great public works, the highways, the railroads and other improvements made possible by American capital. As in 1924, during the first bankruptcy, the German people starved and cursed their Republic. The German industrialists won!***

And then the heavy industry barons—long resentful of the increasing power and influence of Farben—almost toppled the playhouse of Duisberg, Bosch, Haber and Schmitz.

Fritz Thyssen, Albert Voegler, old Adolf Kirdorf,

together with Baron von Schroeder, the Cologne banker, had been quietly but lavishly supporting the rowdy Nazi street fighters under the impression that Nazism would mean the restoration of the monarchy.

They backed Franz von Papen for the Chancellorship and with the help of Major Oscar Hindenburg ousted Bruening from office in 1932. Schmitz might have seen the handwriting on the wall that year but he didn't. He continued to back General von Schleicher, his own man. Within a few months von Schleicher had intrigued successfully and von Papen was out. The old Field Marshall asked von Schleicher to form a government. It now looked as though I. G. Farben controlled the government completely.

However, that is to have reckoned without Franz von Papen, the sinister master of the double-cross whose name is a synonym in world capitals for treachery. Von Papen had shortly intrigued against Schleicher and with the funds of the industrialists won an overwhelming victory for Hitler in March, 1933. Hitler was made Chancellor. The Nazis had arrived.

Hitler apparently owed Schmitz nothing! It was a time for worry and fretfulness in the palatial offices of I. G. Farben in Berlin.

But old Karl Duisberg had an ace—a couple of aces—up his sleeve. While Schmitz built up his world empire and worked to get control of key government posts, the old man had not been idle.

Duisberg kept his eye on Hitler. In those days in Germany, almost anything was possible.

Thus, when Hitler marched in Munich in 1923, there was an I. G. Farben man tagging along. No less a person than Heinrich Gattineau, Duisberg's own secretary. It is true that Gattineau fled even as Hitler when the first shots were fired in Munich. But in 1933, it was something to be able to claim having been an original Storm Trooper in Germany.

Gattineau became the new liaison man between I. G. Farben and the Nazi government. Unfortunately Gattineau was a poor politician. He stayed too close to Captain Ernst Roehm and nearly met a firing squad the night of June 30, 1934, when Hitler purged the Nazis.

However, once more the older men were forehanded. They had contrived to contact no less a person than Hermann Goering and astutely saw that Hermann did not lack for pocket money during the lean days of early Nazism.

As a matter of fact, only a few weeks before the purge, I. G. Farben among others was invited to the feudal palace Goering had seized at 11A Leipziger Platz in Berlin.

Herr Georg von Schnitzler represented I. G. Farben at the party in Goering's palace. After a pep talk to the assembled industrialists and bankers, Goering told them they would have to pony up three million reichsmarks to replenish the badly depleted Nazi treasury.

While others hesitated, Herr von Schnitzler—I. G. Farben's No. 1 commercial man—made the first substantial contribution. He gave one million reichsmarks—a third of the take—without even bother-



ing to consult his board.

Von Schnitzler had joined the Nazis at once after the 1933 elections. His contribution to Goering established his career in the Third Reich. Today he is one of the most influential members in the Goering circle.

***It is important to note that Von Schnitzler's son-in-law, Dr. Herbert Scholtz, the No. 2 Head of the Nazi Secret Service in the U. S., until his forced departure on the S. S. West Point in June, 1941, was operating under the guise of German Consul General in Boston.***

Not only was Von Schnitzler received warmly but he opened the way for Hermann Schmitz, Max Ilgner, and certainly saved Heinrich Gattineau's life the night of the purge.

There have been other substantial payments made to the party by Farben, but after 1934 when Goering realized what I. G. Farben meant in a total war economy, the Nazis became the suppliants. They could not have gone to war without Farben.

Schmitz was named a member of the Hitler-appointed Reichstag, an honorary member of the Nazis, and appointed "Wehrwirtschaftsfuehrer" ("War Economy Chief") by Adolf Hitler.

The fat Reichsmarshal was astounded by what Farben had to offer. Schmitz pledged Goering that German chemistry could make Germany self-sufficient for war purposes if the government was willing.

Obviously, it was Schmitz then who was sum-

moned by Goering in 1936 to help draft the four year plan in preparation for total war. As in the days of the Weimar Republic Schmitz was still in danger of being dragged into the Cabinet. Thus far he has remained behind the scenes, the driving genius in Nazi war production.

However, other I. G. Farben men were not so fearful of responsibility. Karl Krauch, now chairman of the Board of Farben, is General Commissioner for the German Chemical Industry, the key man in war production. Professor Beck, another Farben man, was placed in charge of war metal production. Others are scattered far and wide in government service. Schmitz was offered the post of Minister again recently and refused it. With his entire enormous organization geared to total war and with the control of all essential departments of the War Economy in the hands of I. G. Farben, Schmitz is doing very well outside of the Cabinet, ready to deny all responsibility in event of another German defeat.

Poor old Fritz Haber, retired when Hitler came in, died in 1935. Tired old Karl Duisberg died the same year. In 1940, old Karl Bosch followed them to the grave. Three old men—each one an evil genius—each sharing a terrible responsibility for the second world war. Old men who couldn't live to see the outcome of the Hitlerism they made possible.

The fruits of their teaching live after them, however, and apt disciples are on the job in Germany. Duisberg, Haber, and Bosch were the pace-makers for younger men who are even more sinister in the Total World War.

## "BUERO I. G., BERLIN NW7"

*Everyone knew about the Gestapo. Few knew that I. G. Farben's innumerable offices abroad functioned as a world-wide spy network. Out of huge profits, they financed a hundred Fifth Columns.*

### CHAPTER VII

**M**AX ILGNER is the nephew of Herman Schmitz, of I. G. Farben in Germany and of Dietrich A. Schmitz of General Aniline & Film Corp. in New York. He is also head of I. G. Farben's vast spy organization and he is known as the paymaser of Nazi espionage, propaganda and sabotage agents in countries all over the world.

Officially Max Ilgner is a director of the Central Finance Administration of I. G. Farben and the Deutsche Laenderbank—the financial headquarters of the largest corporation in the world.

Ilgner is a man of intrigue. To his intimates his conceit is as boundless as his ambition is great. Next to Hermann Schmitz he is the most important man in the German war economy.

The financial headquarters of I. G. Farben are housed in the building at 82 Unter den Linden, one of the remodeled features of Hitler's Neronic plans for re-building Berlin. It is located beside the French Embassy and has all the appearances of an innocent office building.

Unknown to the world, however, is another conglomeration of offices in the same building, the address of which is simply "Buero I. G., Berlin, NW7." This is the political headquarters of I. G. Farben, presided over by Max Ilgner himself.

From this highly organized nerve center have gone instructions and funds to a world-wide intelligence and propaganda service. To "Buero I. G., Berlin, NW7," have come reports and information containing the secrets of all civilized nations.

In "Buero I. G." were hatched plans for Fifth Columns everywhere. Here intimate information on leading statesmen of the world was gathered. Here the weaknesses and venalities of military men, naval men and business men in other nations were plumbed and evaluated.

At 82 Unter den Linden, in the very heart of Berlin, Max Ilgner spun the web of treachery and deceit that prepared the way for Hitler. It was well spun before 1933. Thereafter, it was perfected. Ilgner thoroughly purged his spy machine after 1933. All persons not entirely reliable from a Nazi view-

point were recalled or kicked out.

Even before 1933 reports that came to "Buero I. G." were collated and elaborated and relayed simultaneously to the German Foreign Office and the German War Ministry.

After 1933, the organization was reorganized and greatly enlarged. Thereafter, "Buero I. G." reported simultaneously to the "Aussenhandelsamt"—the Foreign Commerce Office—and the "Auslands-Organisation"—the Foreign Organization—both units in the Nazi Party.

Similar reports were made to Foreign Minister von Ribbentrop's office, to the Nazi War Ministry, and last, but not least, to the "Kanzlei des Fuehrers"—Hitler's personal office.

Abroad the agents of the Nazi Party worked in close co-operation with I. G. Farben's men. The Party agents were independent of the regular Nazi diplomatic and consular agents. The Germans learned a lesson in World War I, when Franz von Papen and Captain Boy-Ed, military and naval attaches at the German Embassy, were caught red-handed serving as paymasters and directors of saboteurs and spies in America.

Agents of the Nazi Foreign Commerce and Foreign Organization units were thus afforded access to business and economic information not available to the traditionally narrow limits of the diplomatic or consular service. However even these non-diplomatic trade representatives were too conspicuous for really delicate assignments. These were taken over by I. G. Farben's men—Max Ilgner's agents—who work more discreetly and more subtly through pure "business" methods and as "simple business men."

Thus a vast amount of real inside information as to production capacity, economic resources, social conditions, armament and other vital factors in total war flowed unchecked from many nations to "Buero I. G., Berlin, NW7" during the years leading up to and the early years of actual warfare.

The other side of "Buero I. G." has to do with propaganda, Fifth Columnists and sabotage. Ilgner handled all that too. Not in so crude a fashion as von Papen and Boy-Ed in the first World War. It has been remarked that Ilgner is smart.

Long before Hitler, Ilgner was already penetrating





### WORLD ESPIONAGE HEADQUARTERS

*The sinister figures who flitted through the many rooms of this office building on the Unter den Linden, in Berlin, developed Hitler's most potent secret weapon—an espionage-propaganda-sabotage organization that covered the globe. It was here, rather than in the Gestapo headquarters on Prinz-Albrecht Strasse, that plans were laid for penetrating and undermining the countries victimized by Germany. Here Max Ilgner rules as paymaster for the innumerable agents of Buero I. G.*

other countries politically, picking out weak and venal statesmen, alienating important members of military and civil services and of big business men from loyalty to their own countries.

*Ilgner's men were therefore instructed to become deeply entrenched in the social life of the country to which they were assigned, marry women of those countries, and most important of all become citizens of those countries at the earliest possible moment. When necessary, I. G. Farben's men have been ordered to appear as anti-Nazis and outspoken liberals.*

In such guise, the most loyal agents serving Hitler

were free to travel wherever they chose, to dispose of their bank accounts as they pleased, to be free from alien registration in time of war, and to be treated as citizens and not as the enemy agents of the Axis Powers that they really are.

Up to 1933, these world wide operations were primarily to effect economic conquest for I. G. Farben although Ilgner always worked in close collaboration with the German Foreign Office. After 1933, Ilgner expanded immeasurably.

It was Max Ilgner who first discovered "Mein Kampf." Throughout the years of scheming and plotting with Duisberg, Haber, Bosch and Schmitz, there

was never a clear conception as to when and how their dream for world military aggression might be launched.

"Mein Kampf" came to Ilgner's attention on the eve of Hitler's victory at the polls. In his capacity as intelligence chief of I. G. Farben, Ilgner read it, unlike most German industrialists of the day. It had been recommended to him by a close associate, one Alfred Hugenberg, who was the paymaster between the industrialists and the Nazi gang in Munich.

Hugenberg held on to much of the money that passed through his hands and he wound up owning UFA, the big German movie company, ALA, a dominant publicity organization, and he had control of the Berlin publishing firm of August Scherl. He gave the Nazis free handouts for their newspapers in the early days. Later, he had to turn over some real money.

After talking to Hugenberg, Ilgner summoned his "brain trust"—the bright young men who are his chief aides. Among them were Dr. Krueger, Dr. Pfeiffer, Frank-Fahle, and Mario Passarge.

There were plenty of unread copies of "Mein Kampf" lying around. The "brain trust" was ordered to read and report.

But it was Max Ilgner himself who pronounced the verdict.

Said Ilgner:

"It's the craziest damn thing I have ever read. But it is just crazy enough to work. The man has a time-table that fits in with what we would like to see done. He seems to be the man we have been waiting for. If he's got any brains at all, we can use him. Keep this Hitler very much in mind."

It is a matter of history now that Hitler could scarcely believe his good luck when these heretofore distant chemical trust bosses offered to present him with the finest intelligence and propaganda service extant.

But Hitler hadn't seen anything yet. Max Ilgner was just beginning in 1933. After old Karl Duisberg died in 1935, the restraining influence that counseled a policy of circumspection was removed. Ilgner was now more or less on his own. And he was feeling his oats.

Not that Max Ilgner was out and out brash. He had been too long trained in the school of Duisberg, Haber and Bosch and he stuck to "business" avenues and "business" methods.

However, by virtue of the huge profits piled up annually by I. G. Farben in Europe, Asia, North and South America, Ilgner had at his command a vast amount of foreign exchange. He was in an ideal position to become the paymaster for the Nazi political and propagandist machinery abroad.

Hitler realized immediately that he would never be able to carry on without Farben. Der Fuehrer in those days was in a curious state of confusion. Under the influence of Professor General Haushofer and his geopolitical ideology, Hitler was contemplating mili-

tary strategy. Under the influence of Professor Othmar Spann, of Vienna, he toyed with the idea of a corporative State, an improvement on the corporative ideas put into effect by Mussolini in Italy.

Ilgner and Schmitz quickly disillusioned Der Fuehrer on that score. They had no intention of allowing I. G. Farben to be taken over by the State. Quite the other way around, they proposed to take over the State. In this they were backed by Krupp, the cannon king; Kirdorf, the coal czar; and other big business barons.

Thyssen by this time was already slipping. Shortly after the outbreak of the war, Thyssen was to be stripped of his great fortune and exiled. The last heard of him he was in France, presumably caught by the Nazis when they took over that country.

This combination of industrialists was too much even for Hitler. He was willing to make a deal.

## THE MAN WHO

*Pierre Laval, Farben's attorney, wasn't present when this gay banquet was held in a Paris restaurant to celebrate I. G. Farben's successful conquest of French industry. But Laval, who had helped engineer the triumph for the Germans, was there in spirit.*



Ilgner was given authority to take over all the functions of a Nazi intelligence and propaganda service which in turn I. G. Farben would finance. The Nazi government would provide State subsidiaries for vast plant expansions to make explosives, synthetics and chemicals for I. G. Farben. The deal thus beat restrictions in foreign exchange with no loss to either party. It may have been unorthodox business but certainly it proved effective.

With this arrangement, Hitler freed himself from what otherwise would have been a major—and probably insurmountable—problem—an efficient worldwide intelligence and propaganda service. He had plenty of time nearer home to devote to getting things ready for total war. It becomes much clearer now how a former house painter has seemed to accomplish the impossible in such a short space of time.

Ilgner's men by this time were firmly entrenched

### DIDN'T COME TO DINNER

*The beaming, cherubic countenance of Max Ilgner, brains of I. G. Farben's foreign business-espionage organization, can be seen between the two women guests on the right. Willibald Passarge, head of I. G. Farben's Paris office, is the man with eyeglasses.*



throughout the world as apparently loyal citizens of the countries of their residence. His organization was in splendid working order.

An early questionnaire sent out by Ilgner to all of his agents is revealing. It goes far beyond the normal interests of a commercial organization.

For example, Ilgner wanted to know all about automobile traffic. He sent out the following questionnaire:—

How many automobiles are there in the country?

How many of these are passenger cars, how many trucks, how many buses?

Countries of origin?

What makes?

Are there any automobile factories in the country?

How many repair shops?

How is gasoline distribution organized?

How many tank stations?

Organized by what concerns?

Also Max Ilgner was much concerned about movies. He sent out a questionnaire like this:—

How many movie theaters are there in the country?

How many of these are in the large, in the middle-sized, and in the small cities and villages?

As to the movies in the cities:—

What is their seating capacity?

What is their average attendance?

Who are the theater owners?

Are they foreigners or natives?

What films are shown?

Country of origin of those films?

What is the reaction of movie-goers to German films?

Similar questionnaires sought information about radio facilities, programs, ownership. Others wanted to know about newspapers. In fact, there was little that Max Ilgner's "Buero I. G." didn't want to know. His curiosity might have seemed incredible.

With this information collated, Ilgner and his brain trust were ready for propaganda on a scale the world had not yet experienced. Literally millions of dollars to advertise I. G. Farben products—Bayer Aspirin, Luminal, Salvarsan and many others—were spent in radio stations and newspapers throughout the world.

Advertising accounts were in many instances subsidies for German propaganda because Ilgner saw to it that specially favored radio owners or newspaper publishers were given Farben controlled funds. In many cases struggling newspapers and radio stations willing to carry Nazi propaganda were kept alive by "Buero I. G."

However, Ilgner went far beyond mere propaganda. After Schacht initiated barter trade from Germany and Hitler froze German funds, Ilgner's control of foreign exchange from profits in many countries became the real source of funds to finance Nazi subversive organizations.



In countries where I. G. Farben's credits were low, there was no problem. Schmitz and Ilgner were reaping rich rewards from their United States enterprises. It was a simple matter to transfer American dollars to the I. G. Chemie, in Switzerland, or the two I. G. Farben holding companies in Holland—even in war time. From these two neutral countries, Nazi funds were sent to agents everywhere.

Schmitz and Ilgner slipped up on the Holland holding companies. They strangely neglected to transfer early enough their USA stock holdings from Holland to Switzerland before the Nazi invasion. The President of the United States froze Dutch assets and that pipeline was blocked. The one through Switzerland continued to operate.

In pursuance of the Duisberg policy of economic penetration before military conquest, Ilgner concentrated on the demoralization of Europe as a primary task under the Nazis.

I. G. Farben was already in a strong position in Holland through holding companies, investments, and connections with established Dutch "business" men, particularly Fentener Van Vlissingen, president of the International Chamber of Commerce.

But it was Ilgner's idea to take Prince Bernhard zu Lippe-Biesterfeld into the Farben organization. Ilgner had cultivated the acquaintance of Prince Bernhard's father and shortly the young Prince went to work in the Central Finance Administration Office in Berlin under Ilgner's direct supervision.

The Prince was taught business and international relations. The existence of "Buero I. G." on other floors in the same building was kept secret from him.

After Prince Bernhard became engaged to Princess Juliana, heiress to the throne of Holland, he was sent to Rotterdam to work for one of the I. G. Farben holding companies. Ilgner's idea was that once the young Prince had acquired a knowledge of politics, he would become influential in the Dutch government and could be influenced from the Farben headquarters in Berlin. It was not Max Ilgner's fault that Prince Bernhard became a loyal protagonist of the Dutch after his marriage to the Princess. Ilgner had done his best.

I. G. Farben's representative in Paris was Willibald Passarge—the brother of Mario, one of Ilgner's brain trust in "Buero I. G." **One of Willibald Passarge's early achievements was the retention of Pierre Laval as Parisian counsel for I. G. Farben.**

Through the years before the second world war, Laval received large fees for doing little or nothing in the way of legal work for I. G. Farben. However, Laval was the nucleus around which the French Fifth Column that brought about the French collapse was organized. Its other adherents—all beneficiaries of Farben—have become notorious since the occupation of France.

"Buero I. G." was well-established in Spain also before the outbreak of the Spanish Civil War. Hermann Schmitz through the Farben controlled International Nitrogen Cartel had acquired control of the Spanish nitrogen and high explosives industries. Krupp was working alongside of Farben in Spain

making cannon.

Dictator Franco was financed to a large extent by Max Ilgner through Juan March, the Zaharoff of Spain.

Max Ilgner's real break came in Spain, however, in the second year of the Civil War when Ramon Serrano Suner—Franco's brother-in-law—was captured by the Loyalists. He was on the eve of being executed when Farben agents in Madrid interceded with the Loyalists and arranged for an exchange of Serrano Suner for a prominent Loyalist captured by the Fascists.

After his release in Spain, Serrano Suner was met at the French frontier by Willibald Passarge and escorted to Paris where he was wined and dined and given funds to get back to the Fascist side in Spain.

Today, Serrano Suner is the Foreign Minister of Spain, head of the Spanish Falange, and the leading pro-Nazi in his country. The Spanish Foreign Minister exercises much influence in Spanish circles of Latin-America where Ilgner's subversive activities are now carried on largely by members of the Spanish Falange. Serrano Suner could scarcely help being grateful to the men who saved his life. And it is assumed that Dictator Franco also valued his brother-in-law's life. Ilgner did very well in Spain.

Thus the authenticated record reveals that Max Ilgner through the vast resources of the world's largest corporation organized and financed the contacts with foreign conspirators that eventually made the Nazi conquest of Europe possible.

Ilgner financed the "Iron Guard" in Rumania and only recently Germans were implicated by former King Carol in the poisoning of former Rumanian Foreign Minister Titulescu—an outspoken anti-Nazi. I. G. Farben's men were in Rumania long before Hitler's soldiers arrived.

The I. G. Farben Company also financed the organization of the Fifth Column "Ustaschi" in Yugoslavia and was implicated in the assassination of King Alexander in Marseilles in 1934. Anton Pavelich, present puppet Premier of Nazi-created Croatia, was charged with responsibility for the assassination. He fled to Mussolini for asylum when the authorities sought him. Today he is rewarded by being made Premier of a puppet state. He was on Max Ilgner's payroll for many years.

The "Arrow Cross" fascists in Hungary, the Quislings in Norway, the fifth columnists everywhere that prepared for Hitler's aggression by creating disunity and fostering disloyalty, were all creatures of the "Buero I. G., Berlin, NW7."

Max Ilgner's next offensive was to be against the Western Hemisphere where the ground had already been well-cultivated since as far back as 1921.

However, in the story of I. G. Farben, the unprecedented expansion of chemical plants, the manufacture of explosives, gases, synthetic oil, synthetic rubber, synthetic fibers, intervenes in preparation for the opening of World War II on September 1, 1939.

This was primarily Hermann Schmitz's job—operating behind the ample front of Reichsmarshal Goering, the director of the Four Year Plan for total war.

# WITCHCRAFT IN THE LABORATORY

*"Double, double toil and trouble; Fire, burn; and cauldron, bubble."—Macbeth, Act 4, Scene 1.*

*With diabolical cunning, war was brewed in German test-tubes . . . and I. G. Farben had a formula that could not fail.*

## CHAPTER VIII

**N**O ONE was better aware than Hermann Schmitz—the apt student of Duisberg, Haber and Bosch—that I. G. Farben had nothing to lose by going headlong into total war with Adolf Hitler.

Every detail of corporate planning by I. G. Farben during the fourteen years of the Republic was designed for the coming of an irresponsible aggressor like Hitler—one that could be directed and used.

Hitler was still in a state of exalted frenzy when he came into power in 1933. His time had been devoted almost exclusively to stimulating the passions and lusts of his gangster Sturm-Abteilungen (Storm Troops), and to campaigning among the masses to arouse hatreds that would bring a Nazi victory in the national elections.

As a consequence, he was ignorant of the war economy already perfected for him by the vast I. G. Farben interests. He expressed his amazement to Rudolf Hess when he was made acquainted with Max Ilgner's super-efficient espionage organization and he could scarcely contain himself when Professor General Haushofer showed him how geo-politics could be pursued under a total economy already perfected by I. G. Farben.

Der mighty Fuehrer on that occasion is described as having gone into a toe dance—goosestep, eyes popping and a child-like grin of glee on his face—much as he reacted in northern France seven years later when told that Paris had surrendered.

It was no secret in the inner circle of Nazidom that Hitler during his frequent moods of melancholia oft-times despaired of discovering ways and means of imposing "Mein Kampf" on a hostile world. On these occasions Haushofer, Hess and Goering bolstered the faltering nerve of the future Fuehrer by assuring him those problems would be met when they appeared.

It was Hermann Schmitz—president of I. G. Farben—who was being held in reserve by Haushofer and Goering. Schmitz was inclined to dismiss much in "Mein Kampf" as the illiterate and confused ranting of a megalomaniac. But he was convinced that buried in a torrent of words I. G. Farben's principles were truly expressed in "Mein Kampf."

More important Hitler had proved that his oratorical magnetism—aided by the ruthless intimidation of the German masses by the Storm Troopers—was an ideal medium for achieving Farben's ambitions.

Schmitz's policies were strictly "business." Through a war economy, the already massive I. G. Farben corporation could obtain vast funds from the Nazi State for plant expansion and research.

Should Hitler win the war—and Schmitz was convinced that Germany could win—I. G. Farben, the largest corporation in the world, might consolidate its world empire into a world monopoly of economic necessities.

There was always the possibility that Germany might lose. But Schmitz was prepared for a military defeat. As in 1918, when I. G. Farben had the secret of Fritz Haber's synthetic nitrogen for an economic offensive against world markets, Schmitz proposed to have a tremendous production of synthetics ready to flood and demoralize the international markets if Germany lost again. In any event, Hermann Schmitz considered all precautions to assure German industry of winning World War II, regardless of the decision on the fields of battle.

No matter how hard they tried, the combination of Duisberg, Bosch, Haber and Schmitz was never able to sell the Weimar Republic a bill of synthetic goods. And it is on record that many attempts were made.

There were times when the German Republic might have been justified in subsidizing synthetic materials and synthetic foods—as during the financial debacle of 1923 and again in 1930.

However, the democratic leaders pursued a policy of international cooperation. Democratic economists were well aware that German economy was dependent on export trade.

Unlike Hitler, whose declaration that "Germany must export or die" was later used to justify force, the men of Weimar maintained that natural products could be imported at far less cost than synthetics could be manufactured.

The economists of the Republic were convinced that Germany could survive economically only by trading her technical genius and industrial ability

# KEY

- Wholly or substantially owned or engaged by Farben
- Affiliated in varying degrees with Farben group, though separately operated.
- Trend of intercompany transactions, shipping or marketing arrangements which cannot in every instance be precisely illustrated due to sudden wartime changes.
- U. S. Companies whose prewar connections with Farben have been revised, chiefly since outbreak of war.

**FORD MOTOR CO**  
Detroit, U. S. A.

**FORD MOTOR CO.**  
Cologne, Germany  
Part owned and now operated by I. G. Farben

# I. G. Farben in the U. S. A.

(ON THE EVE OF TOTAL WAR)

**Sterling Products, Inc.**

U. S. A.

WHOLLY OWNED SUBSIDIARIES

American Ferment Co., Inc.  
The Ayer Company, Inc.  
The Bayer Co., Inc. (Calif.)  
California Fig Syrup Company  
Dr. W. B. Caldwell, Inc.  
The Cellasin Co., Inc.  
The Centaur Company  
The Cummert Products Co.  
Drew Pharmaceutical Co., Inc.  
The Ironized Yeast Co., Inc.  
Knowlton Danderine Company  
The Mollie Company  
The Chas. H. Phillips Chemical Co.  
Proprietary Agencies, Inc.  
Sterling Products International, Inc.  
Sterling Products, Inc., (W.Va.)  
Sterling Remedy Company  
Synthetic Patents Co., Inc.  
Thompson Koch Company  
The Vita-Ray Corporation  
The R. L. Watkins Company  
The Delatone Company  
Wells & Richardson Co., Inc.

THE SYDNEY ROSS COYS.

MEXICO

BRAZIL

ARGENTINA

CHILE

PERU

COLOMBIA

THE BAYER COMPANY, INC.

New York

MEXICO

FARMA CONTINENTAL S. A.

BRAZIL

Soc. Farmaceutica Interamericana Ltda.

URUGUAY

FARMA ORIENTAL LTDA.

PERU

FARMA PERUANA LTDA.

COLOMBIA

FARMA CONTINENTAL LTDA.

VENEZUELA

FARMA PANAMERICANA LTDA.

ADVANCE SOLVENTS and CHEMICAL CORP.

GENERAL ANILINE DIVISION

GEN. ANILINE WORKS, Linden, N. J.

GENERAL DYESTUFF CORPORATION

FEZANDIE and SPERRLE

GENERAL ANILINE and FILM CORP.  
230 Park Avenue, New York  
Known until World War II as  
AMERICAN I. G. CHEMICAL CORP.

AGFA, ANSCO DIV.

AGFA ANSCO WKS., Binghamton, N. Y.

Substantial Investments In Other Corporations Associated With I. G. Farben in the U. S. A.

50% owned by Sterling Products and 50% owned by I. G. Farben

ALBA PHARMACEUTICAL COMPANY, INC.

LABORATORIOS WINTHROP IN LATIN AMERICA

Now in process of being established to take over the marketing of ETHICAL DRUGS from I. G. FARBEIN firms which are now finding it increasing difficult to get supplies from Germany and the United States

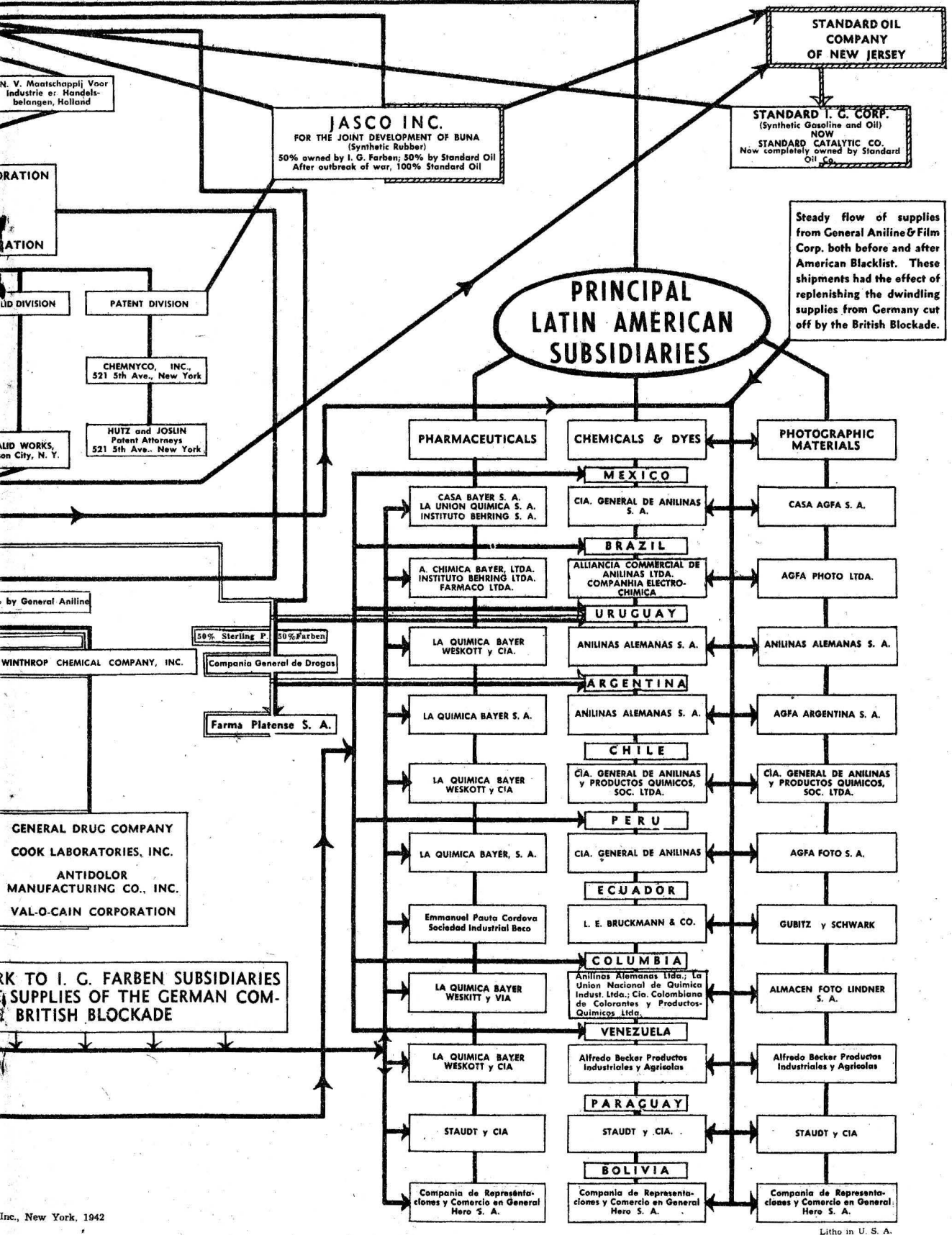
SUPPLIES SENT FROM BAYER, NEW YORK IN LATIN AMERICA TO REPLENISH THE COMPANIES, DEPLETED BY THE WAR

\* The tangled nature of the Farben corporate structures and the intricate nature of their intercompany links or working agreements is a jigsaw puzzle of hitherto unfathomed complexity. The war has brought about certain rearrangements and others are probable as the struggle deepens and spreads. This chart reflects as many as possible of the intercompany changes that occurred up to Jan. 1st, 1942.

Copyright By Booktab

# The Americas

L WAR\*



Inc., New York, 1942

Litho in U. S. A.



for the raw resources of other nations. This of course did not take into consideration the use of force to steal raw materials and foreign markets.

For these reasons I. G. Farben was curtly dismissed whenever synthetic manufacture was proposed. Even in the darkest days, just before the Republic collapsed, Chancellor Bruening told Schmitz that German democracy would not, and could not, subsidize synthetic manufacture for the sole purpose of making Germany self-sufficient in war.

This democratic policy was abandoned instantly when Hitler took over. Goering, lavishly bribed, but keenly aware of Farben's potentialities, pressed Schmitz's cause before Hitler.

Comparatively modest expansions were undertaken by Farben immediately after Hitler. In 1934, however, after the death of old President Hindenburg, Hitler was supreme. Hermann Schmitz was told to go ahead.

I. G. Farben was ready. Complete in detail was a four year plan for total war. Hitler approved it and named Goering director of the Four Year Plan. No one admits quicker than Field Marshal Goering that he knows nothing about production and even less about economics. His only accomplishment was as a wartime aviator twenty years before he got so grossly fat.

Nazi propaganda credits Goering with the creation of the Luftwaffe—the Nazi air force. Goering is also hailed as the production genius who made the Four Year Plan—launched publicly in 1936 but actually begun many years before—the great success it turned out to be.

As a matter of fact the late General Ernst Udet—killed in a mysterious "accident" during the third year of the war—and General Milch, whose mother was accused of adultery in the birth of the future General to excuse her Jewish husband, Milch's real father—were the creators of the terroristic, brutal Luftwaffe, the assassins of innocent civilians and helpless women and children.

Goering's sole role was his knowledge of aerial combat, gained during World War I in the famous Richthofen Squadron. Goering's position in the Nazi Party was founded on his savage leadership of Storm Troopers in the early days and his super-efficiency as the Assassin in Berlin, during the purge of June, 1934.

As in the case of Udet and Milch, Goering had little or nothing to do with the Four Year Plan. He had the authority under Hitler to employ any means he saw fit to see that it was effectively carried out. It was Hermann Schmitz who administered the Four Year Plan. Schmitz told Goering what to do and the Fat Marshal was only too willing to do it. Von Schnitzler's gift of a million Reichmarks in 1934 bore fruitful dividends.

Expense didn't count under the Hitler-Goering-Schmitz program. Like the working arrangement between Hitler-Ribbentrop-Ilgner in foreign espionage, the home front was organized as a partnership between the State and I. G. Farben.

State subsidies paid for new Farben plant construction, for the salaries of hundreds of thousands of workers, for research and development. Where funds were not immediately available, Goering ordered confiscation. The slaughter of Jews and the confiscation of their wealth was particularly useful during this phase.

Hermann Schmitz had four principal synthetics without which Hitler could not have gone to war. Altogether, I. G. Farben exhibited more than 250 synthetics at the exposition in Frankfurt in 1937.

The four main inventions, however, were, in the order of their importance, synthetic rubber, synthetic gasoline and oil, synthetic fabrics for clothes, and synthetic foods and vitamins.

As early as 1936—the year the Four Year Plan was announced—Farben and Krupp were already able to assure Hitler of sufficient military material to intimidate the democracies. That year Hitler dared reoccupy the Rhineland. The same year Hitler precipitated the Spanish Civil War to test new German war material. Professor General Haushofer's geo-political theories were on their way to realization.

***But Germany was not really ready for total war in 1936. By a firm stand, the democracies might have stopped the Nazis in their tracks. However, Max Ilgner's intelligence service assured Hitler that the democracies would stay put. History records that they did.***

Thus after 1936, Nazi diplomacy became bolder and bolder, while Hermann Schmitz and his huge organization worked night and day to complete the Four Year Plan on time.

Contrary to general opinion, the first victim of the Hitler-Schmitz aggression was the vainglorious Benito Mussolini. When Hitler first visited Mussolini he was treated with scant courtesy by the Italians.

The flamboyantly uniformed Duce and his satellites were openly contemptuous of the grotesque figure in a bedraggled trench coat. Hitler didn't measure up to Mussolini's idea of a dictator.

However, the almighty Duce was shortly to be informed. He was made to realize that his entire war machine was dependent on the whims of I. G. Farben through its control of Mussolini's chemical industry. Farben controlled the patents and processes used by the Italian Montecatini company. Farben agents ran the huge plant. Farben finances could make or break the Italian war economy.

From here on Mussolini realized he was No. 2 dictator—not No. 1. Thereafter, Il Duce was a lackey to Adolf Hitler—and Hermann Schmitz.

Farben won the Spanish Civil War through its ownership of Ramon Serrano Suner and Dictator Franco. The seeds were planted in France where Pierre Laval was on the Farben payroll. Economically, Farben controlled all the rest of Europe.

Only Czechoslovakia and Russia were uncertain, but Professor General Haushofer had theories ready to apply to those countries. Poland didn't count in German opinion and it was conceded that Germany





### REHEARSAL IN SPAIN

*The new explosives and war machines created by Farben, Krupp, Thyssen and others were given a thorough testing in the Spanish civil war. When perfected, they were ready for the titanic struggle that engulfed the world.*

would have to fight Great Britain and, perhaps, the United States.

The time was rapidly approaching for the creation of the now familiar totalitarian Axis—the proclaimed division of the entire world into two hostile camps.

However, formulation of the Axis had to await completion of Hermann Schmitz's program for a wartime self-sufficiency. The German Bayer Company—one of the cornerstones of the I. G. Farben trust—invented synthetic rubber as long ago as 1909. It was more costly than natural rubber and imperfect in quality. The Kaiser showed little interest.

In the first World War, the Allied blockade created an acute rubber shortage in Germany. The German Navy was the first to feel the squeeze and demanded rubber for accumulator cases in submarines. The German Bayer Company furnished it.

During the last year of World War I, Bayer was producing about 2,000 tons of synthetic rubber annually. After the Armistice, production was abandoned. The first synthetic rubber was imperfect and much more costly than the natural rubber available in peacetime. Moreover, the Republic wasn't interested in self-sufficiency.

The chemical wizards of I. G. Farben, however, were not discouraged. New experiments and refinements of the original processes were never interrupted.

Thus in 1933, Farben was ready for the mass production of Buna synthetic rubber. But it takes time to build plants and train workers and several years were to pass before mass production was accomplished.

By 1938, most of the motorized equipment of the Nazis rolled into Austria on Buna rubber. The world was led to believe that this was an "ersatz" product on jerry-built tanks and trucks that littered the highways with broken-down equipment. Poland and France, the Balkans and Russia were to prove later that Farben had mastered the production of efficient synthetic rubber.

Hermann Schmitz had not been idle.

In 1938, Schmitz had 18,000 workers employed at a new rubber plant near Schkopau. Another plant was set up near Marl-Huels where exhaust gases from the hydrogenation works at Scholven could be utilized. Still a third works was built near Bruex after the seizure of Czechoslovakia. These new plants are in addition to the original Farben works which were also vastly expanded.

The combined annual production of these major plants—there are several subsidiary plants where Farben patents are farmed out—is in excess of 200,000 tons of synthetic rubber each year, or equal to Germany's pre-war needs and, under a ration system, ample for Nazi war purposes. It is scarcely necessary to say that all of this production is controlled by I. G. Farben.

Thus, on September 1, 1939, the Nazi War machine was on its toes—or rather on its Farben produced rubber, ready for Hitler's order to launch World

War II by the invasion of Poland.

Diplomatic pressure and Hitler's well-known impatience, when his hunch or astrological information, tells him the time has come, precipitated the war a year ahead of time. But Schmitz had production well in hand. Wartime pressure further regimented workers and extended their working hours. Schmitz was able to keep pace with Hitler.

Next in importance to rubber in German self-sufficiency was the production of synthetic gasoline and oil. In 1913, Karl Bosch, then with Badische Anilin-und-Soda Fabrik, invented a process for extracting oil from coal known as hydrogenation.

The world was less dependent on oil in those days and Bosch's invention was of little interest to the world at large. It was regarded as an interesting laboratory experiment but of no utility when there was more than ample oil for everyone at lower costs.

Under the Four Year Plan, Hermann Schmitz expanded Farben's huge nitrogen Leunaworks plant in order to produce the new "Leunabenzine." The "Leunabenzine" adjunct was built in 1927 as a "pilot" plant. Production was stepped up in 1933. Hitler was told in 1933 that Farben would shortly be capable of producing more than half of Germany's gasoline requirements.

**The Fuehrer was assured that I. G. Farben could make Germany independent of gas and oil imports—given State credits and State aid. So the arrangement made between Schmitz and Hitler for oil was identical with that in the case of rubber.**

The Nazis had accumulated large stock piles of high octane gasoline before the outbreak of World War II. They obtained an agreement with Russia for additional supplies through the Hitler-Stalin pact. But the Nazi war machine really relied on the synthetic production of I. G. Farben.

When war came, I. G. Farben was operating eleven hydrogenation plants in Germany, one in Austria and one in Czechoslovakia. In addition, Schmitz controlled nine distilleries that manufactured intermediaries for hydrogenation. Thus, oil experts were convinced that Germany could produce all her own ordinary gasoline and light oil requirements in time of war.

There was reason to believe that hydrogenation did not successfully produce high octane gasoline for war planes. However, there was a similar belief in 1916, that Germany had exhausted her nitrogen resources. The Farben chemists solved that problem. Their successors were at work in the Nazi laboratories in the third year of World War II under the whip of Hermann Schmitz and there was no reason to believe that high octane gas was beyond their grasp. At least the eventuality was not discounted in spite of the let-up in Nazi air raids that year.

During World War I, the German civilians suffered bitterly for want of real clothing. All had to be sacrificed to clothe the soldiers at the front and in the last period of the war even the soldiers were trying to wear "ersatz" uniforms.

Along with starvation, this cloth famine caused by the Allied blockade was blamed for the German

collapse. Hitler was resolved that a similar clothing famine would not defeat him in World War II.

Also a crying need of the early Nazis was for uniforms. Imported fabrics were costly and the Nazis then were not too well to do. In 1933, Hitler ordered his Economic Commissioner—Herr Keppler—to begin the mass production of synthetic staple fiber regardless of its imperfections.

Incidentally, wizened propaganda Minister Goebbels went into a huddle with himself about that time and came forth with a warning not to use the term "ersatz" in connection with the resplendent new uniforms of the Elite Guard. Goebbels reasoned—and rightly—that too many Germans still remembered the awful "ersatz" clothing that fell off them in World War I, and therefore he ordered that the new "ersatz" be called "Neue Werkstoffe"—new production materials.

It is a fact that "Neue Werkstoffe" is incomparably better than "ersatz." In the first World War, I. G. Farben was primarily experimenting to make explosives—cellulose out of pine wood instead of cotton—and succeeded. The "ersatz" clothing was a by-product of those experiments.

After the Armistice, the Germans clamored for real clothing. They were heartily fed up on "ersatz." Also, the Weimar Republic sought trade relations with cotton producing countries and the manufacture of synthetic fibers languished. Again, however, Farben chemists kept right on with their laboratory work.

When Hitler ordered "Neue Werkstoffe" in 1934, Germany was still dependent on imports—100 per cent for cotton, 95 per cent for wool, 100 per cent for jute and other basic fibers, 99 per cent for hemp, and 86 per cent for flax. Only rayon was produced in sufficient quantity by Farben and the Glanzstoff concern.

Under Hitler's orders—at the request of Hermann Schmitz—the Nazi government forced contracts for synthetics upon all textile plants in Germany and fixed prices for their products. To relieve I. G. Farben of the financial risk involved in an uncertain business venture, the Nazis forced the textile industry to contribute capital for new factories.

In effect, the German textile industry—once a flourishing business—was ruined. It was because—although greatly improved—synthetic fabrics would not stand up under wear, and, more important, they were not warm regardless of their weight. This was to prove disastrous during the Russian winter of 1941-42.

However, Farben produced 7,000 tons of "Neue Werks'offe" for uniforms in 1934. Production increased each year as the regimented masses were uniformed—from tiny boys to elderly men, from little girls to older women. In 1939, I. G. Farben guaranteed Hitler an annual production of 300,000 tons and the Nazi War Machine was ready to roll.

The mass destruction of German forests to make synthetic fibers became alarming and Farben was reported experimenting on a new process that would produce a pure synthetic fiber without the use of

wood. For a time, wood pulp from conquered Russian and Baltic territories relieved the situation. Carried to an extreme—or over a period of time—Germany's synthetic fiber production would have denuded the country entirely of trees.

In addition to control over rubber, oil and fabrics, I. G. Farben also controlled numerous other synthetics. Derived for the most part from coal, carbide, nitrogen and sulphur, new synthetics appeared continuously. Hundreds of small companies took part in manufacturing but all were subservient to I. G. Farben.

Very important in the Nazi war economy was the supply by Farben of synthetic chocolates, eggs, flour and other foods as well as vitamins vital in the nutrition of children as substitutes for fats, eggs, fruits and vegetables. Important also were synthetic substitutes for metal, leather, cork, asbestos and similar strategic materials.

On the side of the purely military economy, Hermann Schmitz rapidly accomplished mass production of high explosives, liquid flame, poison gases and other instruments of death. The large reserves of poison gas stored in Germany in 1942 were believed to be in reserve for a last desperate effort to achieve victory. It was a Farben chemist—Professor Meyer—who sanctimoniously said, "The gas weapon can be developed, not only to one of the most efficient, but one of the most humane weapons of war." The implication was that Farben had invented a gas to put enemies to sleep without serious permanent injuries!

In the Farben subsidiary—"Dynamit Nobel A. G."—and the Farben controlled "Westfaelisch-Anhaltische Sprengstoff A. G."—virtually all of Hitler's explosives were manufactured. New weapons, about which there were mysterious hints were employed in the reduction of the famous Belgian Fort Eben-Emael early in the war and shortly after in the reduction of the famous Maginot Line in France.

Finally the chemists of I. G. Farben produced new metals and alloys, less expensive and lighter in weight in comparison to the tensile strength of other metals. Significantly an I. G. Farben man—Professor Beck—was in complete charge of metal production for the Nazi War Economy.

***Verily, Hermann Schmitz had done his job. He had made the Nazis self-sufficient in war. The rest was up to the military men. As for Hermann Schmitz, his busy mind was already turning to after-the-war plans.***

***Schmitz had two alternative programs—one for use in case of a Nazi world victory—the other in case the democracies licked Hitler.***

Meanwhile, I. G. Farben's position in the Western Hemisphere was to be reviewed because much of the great wealth used to finance the second World War was drained by I. G. Farben out of the Western Hemisphere—and particularly from the United States—and I. G. Farben was still well organized throughout the Western Hemisphere in the third year of the second World War.



# AMERICA FINANCES THE CHEMICAL TRUST

*They said the last war disillusioned America. But the bright young men who sold German chemicals also sold gullible Uncle Sam a big share in World War II.*

## CHAPTER IX

**O**LD KARL DUISBERG'S last word to the envoys of I. G. Farben before they left for the United States in 1920 was that they must above all be circumspect.

Duisberg warned the young men, organized by Hermann Schmitz and Max Ilgner, that the United States was not Europe and that methods useful in Europe would not work in the United States.

***I. G. Farben's agents were told that their first job was to apply for citizenship. Their next was to establish themselves in social and business circles.***

In the process, they must convince Americans that the German people were not to blame for the World War. They had been terribly deceived and misled by the Kaiser and the Junkers. That was all changed now. There was a new Germany—a democratic Germany. The German people had earned their freedom the hard way.

The I. G. Farben agents were to take no action—make no move—without the approval of the I. G. Farben headquarters in Berlin.

Said Duisberg:—

"Youth is inclined to impatience. Let me warn you against being impatient. There are many things that must be done here at home before we can move in America. The first thing we must do is to consolidate the chemical industry of Germany into one inclusive unit. Meanwhile, your duty is to establish yourself in America towards the day when you will be needed."

Hermann Schmitz had nothing to say at this formal meeting of the American envoys with the old men of I. G. Farben.

In private instructions, however, he assured the departing agents that there were contacts already established in the United States that would be useful.

Said Schmitz:

"Report through Max Ilgner and your instructions will be forwarded. Don't worry too much about the old man's warnings. We will handle him. And things must be hurried because we need money."

Hermann Schmitz throughout his career never forgot his conviction that "all of the money in the world is in the United States." Nor did he ever lose sight of his belief that Americans would be searching far for some place to invest their vast wealth.

This Schmitz policy was to be the cornerstone of I. G. Farben's world-wide financial system. The

United States was to be used both to furnish and transmit I. G. Farben funds to every corner of the globe.

However, the older Duisberg needn't have worried. Schmitz, through Ilgner, was much better informed. The United States was a perfect set-up for the schemes of Schmitz and Ilgner.

The people of the United States were in a state of revulsion in 1920. The minor postwar panic had begun. Unemployed soldiers were becoming a nuisance. Many Americans felt slightly ashamed of their patriotic emotionalism and passion during the war.

America had been led to the exalted heights of sacrifice and courage and, at the moment of its supreme effort, the war ended. Millions, unharmed by the war, after being scared to death, had a sense of having been let down. They looked askance at the vast armies in training, and the mountains of war materiel turned out under pressure, both of which were now to be scrapped.

America enthusiastically repudiated Woodrow Wilson and his League of Nations program for policing the world and preventing war. Equally enthusiastic, they rallied to the inanity of the slogan, "Back to Normalcy."

They elected Warren Gamaliel Harding to the Presidency because he campaigned from a small town front porch—a typical American who knew nothing, and wanted to know nothing about those foreigners in Europe.

This atmosphere in the United States was an open sesame to the young men of I. G. Farben. The American public had been led to believe that Germans were Huns, Beasts of Berlin, rapists, sadists, butchers and inhumans.

Now they were told that these were "atrocious" stories, propaganda to inspire hate. Their reaction, when they encountered suave, well-spoken, well-mannered Germans after the war, was to clasp them to their bosoms. Germans during the twenties, when Americans got mad at being called "Uncle Shylock" in Europe, were on their way to becoming heroes.

Count von Luckner, commander of the German raider "Sea Wolf" that sank a large tonnage of American shipping during the war, led a procession of German "heroes" into the United States.

Von Luckner cashed in on a lecture tour, amusing Americans who found it highly interesting and very

heroic for von Luckner to have sunk so many American ships without getting caught. Later the noble Captain brought the identical raider to the United States and made another fortune taking small boys on summer cruises.

The men of I. G. Farben avoided heroics. They infiltrated quietly, put up at the most expensive luxury hotels and made themselves generally agreeable. They apparently had unlimited funds and their money gave them entry into business and social circles. It was not long before they had both feet in American business and were on their way to recapturing I. G. Farben's lost holdings in the United States.

No one will ever know the identities of all of the Germans who came and went in the United States before 1933. America was too busy making money and spending it, reveling in the murders and rackets of gangsters, defying Federal law by drinking boot-leg gin, and otherwise holding high carnival.

However, the key men of I. G. Farben are known. They were the shock troops of Hermann Schmitz, the ablest men in his organization, and the men upon whom he knew he could depend in any extremity. All of them were to become American citizens.

First in line was Walther H. Duisberg, son of the old Karl Duisberg and brother of Karl Ludwig Duisberg, a present-day board member of I. G. Farben. Before Walther left Germany, his father gave him a little paternal instruction. He said: "You must follow my policy—keep out of politics and always show an appearance of loyalty to your adopted country. Herman Schmitz's brother, Dietrich, will be head of our affairs over there, but you must be the brains." Thus it was that Walter Duisberg became vice president and treasurer of I. G. Farben's new company in the U.S.A. while Dietrich A. Schmitz got his first place as President. Next was Wilhelm vom Rath—and finally there was Rudolph Ilgner, the brother of Max Ilgner and nephew of Herman and Dietrich Schmitz.

These were the field commanders sent to the United States by I. G. Farben to open the offensive in the Western Hemisphere; others followed. During the years before Hitler they were to station agents in every nation in the Americas, including Canada. They were to recapture commercial markets in North and South America—whatever the means, they were to make I. G. Farben predominant in the chemical industry in the Western World.

They were to organize and finance propaganda groups in all of the American nations, stir up and direct local forces, influence statesmen and keep Max Ilgner informed at all times at his headquarters—"Buero I. G., Berlin NW7."

They were to become American citizens and register I. G. Farben patents in their names. They were to work closely—but very surreptitiously—with German diplomatic and consular agents. They were to use stooges to do their bidding in American politics and political controversies. Above all they were to get American money back to Germany to I. G. Farben.

These were the shock troops sent to the United States by Hermann Schmitz and Max Ilgner to prepare the way for Adolf Hitler and world conquest.

***The audacity of Hermann Schmitz and Max Ilgner in sending their sons and brothers and nephews, a Duisberg, an Ilgner and a secret service son of the I. G. Farben vice-chairman to the United States, knowing that they expected to be at war with America some day, would appear foolhardy on the face of it.***

But I. G. Farben had to take long chances. To effect the German dream of world domination, American money had to be obtained and American enterprise and competition had to be controlled. Only men upon whom could be placed the greatest reliance—the alter egos of the headquarters group in Berlin—could be intrusted with so important a mission.

Nor was Max Ilgner uninformed about the American character. Democracies have that habit—strange to Nazi eyes—of regarding the law as sacred, something to be observed and obeyed. The United States was particularly vulnerable in this respect.

Ilgner's evaluation of the United States was to prove correct. When war came, none of his men—despite their close ties with the creators of total war in Nazi Germany—were to be touched for a long period of time—and then to be merely slapped on the wrist.

The Farben contingent's first undertaking in the United States, therefore, was to be assured that everything done was according to the Federal and State laws. This required at the outset the employment of the ablest lawyers available in the key centers of the country—New York, Washington, Chicago, San Francisco and elsewhere.

The most prominent law firm retained—the No. 1 legal adviser to Farben in the United States—was Breed, Abbott and Morgan, of New York, which was first among law firms paid huge retainers over a period of years.

Hugh S. Williamson, a member of Breed, Abbott and Morgan, was later to become a prominent official in the I. G. Farben's principal U. S. subsidiary. He made one or more trips to Europe after the outbreak of war to confer regarding Farben matters.

I. G. Farben's first business move in the United States was quietly to acquire 50 percent of the stock of the Grasselli Dyestuff Corporation, the American company that had taken over I. G. Farben patents from Mr. Francis P. Garvan, the Federal Alien Property Custodian.

The old saw about "from little acorns, big oaks grow" was never better illustrated than in the Grasselli transaction. In no time at all, Farben had complete ownership of Grasselli.

Grasselli by intricate and involved corporative procedure—beyond the ken of the average person—later became the American I. G. Chemical Corporation, the Farben company in the United States. Still later American I. G., by the same hidden procedure, became the General Aniline and Film Corporation, about which there is much more to be said.

In this initial phase of the offensive, Farben's next

thrust was at the American Bayer Company, which had acquired the German Bayer patents from the Alien Property Custodian.

As in the transformation of the lesser Grasselli firm to the vast General Aniline and Film Corporation, American Bayer was forced through a similar corporative wringer. It emerged as an I. G. Farben unit in the Sterling Products, Inc.

American Bayer during World War I had built up an important export trade in pharmaceuticals in Latin-America, the Far East, Canada and other parts of the British Empire, and, of course, throughout the United States.

Thus, Duisberg, Schmitz, Ilgner, and vom Rath, of the United States, could report in 1925 to Duisberg, Schmitz, Ilgner and Vom Rath in Berlin that I. G. Farben now had a huge dye firm in the process of construction to be known as General Aniline and Film Corporation. And that Farben had a toe-hold in pharmaceuticals in America to be known as Sterling Products, Inc.

Old Karl Duisberg is said to have been truly astonished at the rapidity with which this was accomplished. He could scarcely believe the terms of the contract forced on the American Bayer Company as early as 1923—only five years after the war!

The contract completely restored I. G. Farben's pharmaceutical markets throughout Latin-America.

Three clauses in the agreement restored these markets.

1. The American Bayer Company (Sterling Products) was to supply aspirin in Latin-America for sale through the German Bayer (I. G. Farben) agencies.

2. The German Bayer was to supply these pharmaceuticals if it could do it cheaper than the American firm. (Of course, it could because a primary Farben policy was to undersell, or "dump," to regain markets.)

3. The German Bayer (Farben) was to get 75 per cent of all net profits.

It might be supposed that I. G. Farben had put a gun at the heads of American business men to get such an agreement. But, that wasn't necessary. This was during an era of good feeling for the misled Germans who were trying to establish themselves in a world safe for democracy.

More important was Farben's cunning trick of withholding essential information in patents filed at Washington. The experience of American chemists in trying to make Salvarsan—which poisoned American soldiers in World War I—had been enlightening. They encountered similar difficulties in trying to use many other German patents acquired from the Alien Property Custodian. Perhaps, in time, American research would have plumbed the German secrets.

During the money mad twenties, however, there was no time to be lost. American business was willing to deal with I. G. Farben in return for licenses to use Farben processes. The loss of Latin-America at the time seemed unimportant.

I. G. Farben, of course, pointed out that only Farben men knew the processes. They must be called in from Germany and employed in America—where they were to become American citizens and later key men in the most vital of war industry plants.

*Thus even before 1925, Farben was re-established in the United States—safe and secure as though there had never been a war. The first funds from plutocratic America were flowing steadily to I. G. Farben via the I. G. Chemie pipeline in Switzerland. Germany never loses!*

However, this was only a beginning. Greedy I. G. Farben wanted a share in the United States and Canadian markets as well as Latin-America! This required much more adroitness and was to take a longer time. But it was done!



# FARBEN DIVIDES AND RULES IN THE U. S.

*The crafty Germans made "friends" of Edsel Ford and Standard Oil in the pre-Hitler years — while lesser industrial giants learned a costly lesson in treachery.*

## CHAPTER X

**O**LD KARL DUISBERG was a trifle apprehensive about the reception his expeditionary force might encounter in the United States after the First World War. He counseled patience and warned against direct action. Methods that might be successful in Europe would never do in America.

Duisberg needn't have worried. Hermann Schmitz and Max Ilgner had considered the United States problem very carefully.

They both knew that the price-cutting, dumping tactics that could be used in Europe, Latin America, and the Far East, might prove disastrous in the United States.

Hermann Schmitz had a healthy respect for the industrial titans of America. Even the powerful German dye trust could not afford to precipitate a price war with these powerful corporations.

The Du Pont Corporation and Allied Chemical—along with the British Imperial Chemical organization—were the only competitors strong enough to seriously challenge I. G. Farben's campaign for world monopoly.

Hermann Schmitz was determined to avoid that challenge. A veteran wardheel politician long ago decided that—"if you can't lick 'em, join 'em." And Imperial Rome on its way to world conquest pursued a policy of "Divide and Rule."

This age old principle of notorious aggressors was equally applicable to Farben's position in the United States during the years before the outbreak of World War II.

Schmitz had two objectives in his offensive against America. The first was against the exports of DuPont and Allied Chemical in foreign markets. The second was a share in the United States market itself.

These called for a "gentlemen's agreement" with Du Pont. I. G. Farben had much to offer the American firms in an exchange of patents and information. There was also a tacit understanding on a division of markets in other parts of the world.

Generally speaking, the idea of I. G. Farben was to reserve to itself the export of the more expensive Alizarine and Indanthrene dyes, at the same time, however, getting a large share in the bulk of the cheaper Aniline dyes. The United States market

also absorbed much of the heavy chemicals and other products of DuPont and Allied Chemical.

American business interests were perfectly willing to avoid a mutually ruinous commercial war with the Germans. Following sound business practice, it was felt there was room for all and production efficiency would determine the eventual markets of the various competitors.

However, this didn't fit the I. G. Farben book at all. Before 1930, I. G. Farben was treacherously disregarding the tacit agreement with the American and British firms. Hermann Schmitz was dumping and underselling everywhere outside of the United States.

Schmitz opened his campaign against the United States in the export field in the Far East. It will be recalled old Fritz Haber went to Tokio in 1924 and initiated an agreement with the Japs. He left the negotiations in the hands of the German Ambassador—Dr. Solf.

Following Haber, German technicians, students and tourists descended on Japan en masse. They were accorded a hearty welcome. As old Fritz Haber had reported, the Japs were eager and anxious for German help.

In 1928, the Japanese government signed a formal agreement with I. G. Farben under which Farben was to take over the Japanese chemical industry and train the Japanese in the manufacture of explosives, synthetics, light metals, and other war and civil materiel. Poison gas was included in this agreement and, since June 1940, the Sumitomo Chemical Co., plant at Uihima, Ehime Prefecture, have been working on the latest types of poison gases, under a German chief chemist loaned by I. G. Farben. Thus, here again, I. G. Farben prepares the deadly weapons that Japan, in the last desperate stages of its war against the United Nations, may use to kill American boys.

As a gesture of amity and partnership, old Fritz Haber, before leaving Japan, presented the Japanese Minister of Education with a highly valuable chemical library.

At the same time, I. G. Farben and Japan signed an agreement in regard to synthetic nitrogen. The Japs were not doing so well trying to use confiscated German patents. They were perfectly willing to let the Germans take over—for a consideration.

The agreement provided for the German import of nitrogen and the payment of a license fee to the Japanese super-trusts of Mitsui and Mitsubishi, who had acquired the German patents from the Japanese government.

Almost immediately—in concert with the Japs—I. G. Farben was under-selling and dumping in China and other parts of the vast Far Eastern market. DuPont, Allied and Imperial Chemicals took a real licking in the Orient.

This nascence of the subsequent Axis was to bear fruit only three years later, when the Japs trained and supplied by Farben, moved in on Manchukuo and launched the age of ruthless aggression. Manchukuo was the first step in carrying out the doctrines of German Professor General Haushofer in his "Geo-politik of the Pacific"—the Bible of the Japanese war machine in the creation of a "Greater Asia."

The seizure of foreign markets, however, was comparatively simple in contrast to the penetration of the United States market, because despite the "gentlemen's agreements," American firms were not to be pushed around in their own back yard.

Hermann Schmitz needed other and more powerful allies. The Farben expeditionary force had efficiently accomplished preliminary work. The agreements with Sterling Products and American Bayer for control of the Latin-American markets were a high point in this phase.

**Rudolph Ilgner, Wilhelm vom Rath, W. H. Duisberg, and Dietrich A. Schmitz, established confidence in American business and social circles. They were on their way to becoming American citizens.**

American investors and business organizations found the I. G. Farben men ever so helpful in advising them and guiding them in American investments that poured into Germany during the life of the Dawes Plan and the Young Plan.

Americans could only in courtesy reciprocate this decent treatment and I. G. Farben was soon receiving favors and help from powerful American interests.

**Chief among them—Hermann Schmitz always had an eye to the main chance—were the Ford Motor Company and the Standard Oil Company of New Jersey.**

I. G. Farben gained Henry Ford's confidence by taking over a substantial share of stock in the Ford plant at Cologne, Germany. Edsel Ford reciprocated by taking out shares in the I. G. Farben organization in the United States, i. e., General Aniline and Film Corp.

Farben protected Ford in Germany. Ford helped Farben in the United States. When the German automobile industry attacked the Ford factory in Germany, old Karl Duisberg leaped to the rescue. The Germans protested against Ford's "foreign infiltration." Old Karl shut them up curtly.

As head of the "Reichsverband der Deutschen In-

dustrie" old Duisberg was the industrial czar of the Germans. In a public statement, Duisberg pointed out that Ford cars were mostly built by German workers and with German materials. No more was heard on the subject.

In America, Edsel Ford became a member of the Board of Directors of the General Aniline and Film Corporation—Farben's major unit in the United States.

Henry Ford has long been distinguished for his interest in the production of synthetics—the use of soybeans and other farm products for making durable goods. During the depression of the early thirties, when farm products were a glut on the market, Ford was hailed as the future saviour of the American farmer.

There is no direct evidence on the subject but it is reasonable to suppose that a "gentlemen's agreement" for the exchange of information in connection with synthetics was a logical development in the close relations between the Ford Motor Company and I. G. Farben.

In any event—Fritz Kuhn, the notorious lecher, who headed the Nazi Bund in the United States before the war, was first employed in America as a chemist in the Ford Motor plant. His subsequent career as a bullying braggart, finally sent to jail for grand larceny, is well-known. Kuhn was convicted of embezzling Bund funds. He had become an American citizen and, although he had presided at huge mass-meetings denouncing democracy and "heiling" Hitler, he was never bothered by the American authorities because of his subversive activities.

What connection this close association of Ford with Farben had with Hitler's presentation of a Nazi medal to Henry Ford is not known; nor what connection it may have had with Ford's refusal early in World War II to manufacture airplane motors for the British.

But even more to be feared in the export field, as well as in the United States, was the powerful Standard Oil Company, of New Jersey. Above all Hermann Schmitz didn't want to arouse the ire of Standard Oil.

Early in the game, I. G. Farben's agents approached Standard Oil to discuss the hydrogenation of coal—the process for making synthetic oil and gas. Schmitz was anxious for an understanding with the largest natural oil company in the world.

The first thing done was the organization of another of the myriad of Farben corporations scattered through the world. This one was the Standard I. G. Company, an American firm controlled jointly by I. G. Farben and Standard Oil. It acquired all I. G. Farben patents in the United States for the manufacture of synthetic gasoline. Thus there was little likelihood that synthetics would compete with natural oil as long as Standard wells flowed in America.

However, Schmitz was willing to go a step fur-

ther. This was before the Nazis enabled Farben to go in for mass production of synthetic oil in Germany. Schmitz let Standard in on a world monopoly of the hydrogenation process.

Another corporation was organized. It was called the International Hydrogenation Patents Company, Ltd. This company acquired synthetic oil patents for the rest of the world, except the United States and Germany. Farben held the German monopoly. Standard got the American.

The International was owned jointly by Farben and Standard. Later, competitive pressure and "other considerations" brought Royal Dutch Shell and Imperial Chemicals—the British interests—into International Hydrogenation.

Significantly, this all-powerful corporation—holding a world monopoly on synthetic oil production and embracing four of the greatest corporations in the world—was organized in the tiny principality of Lichtenstein. Its official address is International Hydrogenation Patents, Vaduz, Lichtenstein.

The capital at Vaduz has a population of 1,710. Lichtenstein covers an area of 65 square miles. But the tiny principality northeast of Switzerland was neutral. Farben was to see that Hitler kept it neutral and thus escape belligerent interference with International Hydrogenation.

Lichtenstein was even more obscure and free from foreign interference than Switzerland—where I. G. Chemie was to handle Farben financial interests and credits during time of war. Lichtenstein might be called the Delaware of Europe. It has very liberal incorporation laws and virtually no regulation. It is doubtful if Lichtenstein authorities ever heard of anti-trust laws. There are no trusts in Lichtenstein and the tiny country prospers from incorporation fees and corporation taxes—no questions asked.

After this understanding had been reached, Standard Oil showed its appreciation by placing its own board chairman, Walter C. Teagle, on the board of the General Aniline and Film Corporation — the monster concern that now did most of Farben's manufacturing in the United States.

With Edsel Ford and Walter C. Teagle on its board General Aniline's position was well-nigh unassailable. These eminent industrialists served as a perfect screen for the more shadowy activities of Hermann Schmitz and Max Ilgner in America.

**Thus, General Aniline prospered and flourished with the approval of the American business world generally. Hundreds of I. G. Farben technicians and executives came to America and became citizens long before World War II was launched.**

Prominent among them were:—

Dietrich A. Schmitz, brother of Hermann Schmitz and uncle of Max Ilgner, who became president of General Aniline.

Walther H. Duisberg, son of old Karl Duisberg, who was the vice president and treasurer, and a director.

Wilhelm vom Rath, one of the largest stockholders

in I. G. Farben and son of the late vice-chairman of Farben, secretary, vice-president and director of General Aniline.

Hans Aickelin, a veteran I. G. Farben man, also a vice-president of General Aniline.

Ernst Schwartz, director and vice-president.

Karl Milde, assistant secretary and treasurer.

Rudolph Hutz, who was arrested for espionage on August 21st, 1918, and interned for the duration of World War I.

Hutz was arrested by American secret service men at his summer home in Meredith, N. H.

He was charged with attempting "to deliver to the German government or its representatives certain documents, writings, code books, photographs, blueprints, models, plans, maps, instruments, appliances and information relating to United States national defense."

In Germany, he would have been shot. In America, he was interned. He became a general manager, vice-president and a director and key man in General Aniline and an American citizen.

There were many others who came and went during the years, but these were the Farben principals destined to operate in America after World War II broke out.

Probably the most powerful General Aniline director was Felix Iselin. But Iselin never attended a directors' meeting. As a matter of fact, he wasn't in America. Iselin was the head of I. G. Farben's Swiss holding company—the I. G. Chemie, through which funds were drafted from the United States for transmission to Nazi Germany.

(Small wonder that Hitler's armies spared little Switzerland when all Europe was being overrun!)

Besides Edsel Ford and Walter C. Teagle, there were from time to time other prominent Americans on the General Aniline board although 98 per cent of the concern's stock was owned by the Swiss I. G. Chemie and the two Dutch holding companies—both of which countries were expected to be neutrals in World War II.

General Aniline had many subsidiaries in America. The most sinister of these—at least the most mysterious—was the Chemnyco Company headed by Rudolph Ilgner, brother of Max Ilgner, and the nephew of Hermann and Dietrich Schmitz.

Chemnyco was organized to handle I. G. Farben's patent licenses in the Western Hemisphere. It represented a tremendous amount of capital and was charged with the transmission of huge royalty payments from the Americas to I. G. Farben in Berlin—by way of Felix Iselin and I. G. Chemie in Switzerland. It was through Chemnyco also that the deal was made with Standard Oil.

Then, there was the General Dyestuff Corporation which had a "perpetual" contract for the marketing of all General Aniline dyes and chemicals in the United States. General Dyestuff was owned by two men—W. H. Duisberg and Ernst Halbach. Like Duisberg, Halbach was a veteran I. G. Farben man,



trusted completely by Farben's High Command—Hermann Schmitz, Max Ilgner, and Karl Krauch. General Dyestuff was incorporated for only a few million dollars. It handled countless millions collected in the United States and forwarded to I. G. Farben in Berlin.

Also, there was the Advance Solvents and Chemical Corporation, handling Farben imports into the Americas, and others too numerous to mention. Only Max Ilgner and Hermann Schmitz at "Buero I. G., Berlin NW7," were believed to know all of the corporate ramifications of I. G. Farben in America.

In the Sterling Products Incorporated, —American owned but then subject to Farben influence—were other subsidiaries, including American Bayer, the Winthrop Chemical Company and others. The leading men in Sterling were W. E. Weiss, A. H. Diebold, Earl McClintock, all native Americans.

The Winthrop company was one of the major pharmaceutical manufacturers in the Western Hemisphere. I. G. Farben forced Winthrop into an even more subservient contract for the sale of pharmaceuticals in America than the contract to which American Bayer had to submit. Eventually, I. G. Farben acquired 50 per cent of Winthrop's shares and became an outright co-proprietor with Sterling. Shortly afterwards, W. E. Weiss, chairman of the board of Sterling, became a director in Farben's General Aniline organization.

General Aniline had a vast dye and chemical plant at Linden, N. J., another equally large dye plant at Rensselaer, N. Y., and a great film factory at Binghamton, N. Y., and another at Johnson City, N. Y. Nearly 10,000 employees were on the General Aniline payroll.

Its annual business was in excess of \$40,000,000 from the United States market alone. General Aniline was second only to DuPont and Allied Chemicals in the American market. It accounted for more than one-fourth of American chemical production. It was second in film manufacture.

Its close associate and co-partner, Sterling Products, was well-nigh supreme in the pharmaceutical fields and I. G. Farben was in intimate relationship with Standard Oil, the Ford Motor Company, and other giants of American business.

The only mild alarm to annoy I. G. Farben in the years before World War II was a Congressional investigation of the late Ivy Lee, the noted American press agent and publicist, in 1934. Congress suspected Ivy Lee of being a propagandist and a lobbyist. They wanted to know where he was getting

his money and whom he represented.

Ivy Lee testified frankly. It was strictly a business proposition with him. After the Nazis came to power, Hitler's persecution of the Jews and the purge of June, 1934, had set in motion a nation-wide boycott of German products in the United States.

As the man who made John D. Rockefeller popular in his old age (Lee is credited with the "giving away of dimes" idea), Lee was recommended to I. G. Farben as the man to organize a campaign to counteract the anti-Nazi boycott. So Lee went on the payroll of I. G. Farben at \$25,000, per year, plus expenses.

As part of his duties, Lee went to Germany where he had personal talks with Goebbels, the Nazi Propaganda Minister, and other Nazi big shots. Lee was introduced to Goebbels by Max Ilgner, the head of Farben's world-wide intelligence service—(Buero, I G., Berlin, NW7.)

*Upon his return, Lee planned an extensive radio and press campaign to overcome American anti-pathology to things Nazi. He spent millions for the Nazi government and I. G. Farben with radio stations, newspapers and other publicity mediums. All details were worked out directly with I. G. Farben through Max Ilgner in Berlin. Lee was paid through General Aniline in the United States and through the Farben holding company—I. G. Chemie—in Switzerland.*

There was some popular indignation over these revelations but it died down quickly. After all Americans were more concerned with unemployment, the New Deal and the depression in 1934. The Congressional investigation of Ivy Lee attracted little interest.

No one welcomed the American lack of interest more than I. G. Farben's field commanders in the United States. Now that the Nazis were in power Max Ilgner's intelligence service gained an importance undreamed of before and the Farben organization was to assume much more sinister significance.

It was time in 1939 to tie the Farben organization in Latin-America and the Orient more closely with the western headquarters in the United States. Hermann Schmitz had the counter-types to Dietrich Schmitz, W. H. Duisberg, Rudolph Ilgner and Wilhelm vom Rath, of the United States, located throughout the nations below the Rio Grande.

Before September 1, 1939, these far flung agents and spies were to be welded into one hemispherical organization for the double Farben purpose of maintaining a hold on markets during the coming war and to further Adolf Hitler's designs for a conquest of the world.

# THE CONQUEST OF LATIN AMERICA

*Below the Rio Grande there was little animosity toward Germany. So Farben agents carefully studied the South American way—and easily sewed up the business of all the New World republics.*

## CHAPTER XI

**H**ERMANN SCHMITZ and Max Ilgner didn't anticipate any trouble in the Latin nations of the Americas after the first World War. Ilgner's information was that Latin America had no particular enmity for things Germanic.

Moreover the German Bayer name was a household word throughout Latin-America. Before the war German pharmaceutical and chemical firms were predominant all through South and Central America.

None of the Latin-American nations had been actively at war with Germany. Some declared war but more for prestige reasons in the United States than anything else. Ilgner was assured no one in Latin-America was sore at Germany.

On the other hand there were large colonies of Germans in Argentina, Brazil and Chile. Smaller colonies were located in all other Latin-American countries.

Mexico was still in the throes of the incipient revolution and still hostile to the United States. In many other countries south of the Rio Grande there was a scarcely veiled feeling of resentment against North American imperialism. Nor was this hostility assuaged during the boom period of the twenties when American Marines went into Nicaragua and Haiti. The era of Good Neighborliness had not begun yet.

I. G. Farben was thus assured of a market among German colonials at the outset. It remained only to recapture markets taken over by American Bayer and other North American firms during the war.

The record has revealed that I. G. Farben's agents in the United States had little trouble in that respect. By trades, deals and agreements, Farben was shortly in control of all Latin-American pharmaceutical markets. Within a few years it was predominant in the heavy chemical and dye markets.

It was unnecessary, therefore, for Hermann Schmitz to send the same type of agent to Latin-America as brother Dietrich, Ilgner, Duisberg, and Vom Rath who were in the United States. Latin-America demanded cunning and deception rather than suavity, social grace and business acumen. South America agents of Farben were generally of a lower order of intelligence and ability than the men in the United States.

Besides Farben in Latin-America was to become subservient to the Farben organization in the United

States eventually. The funds for the entire Western Hemisphere were to be provided from North America.

Hermann Schmitz and Max Ilgner began their campaign in South America with a ruthless thrust at Chile's nitrate trade. I. G. Farben had no fear of a dominant corporation that might be able to put up a fight.

It was true that most of Chile's government revenue came from nitrate exports. Her national prosperity was dependent on the nitrate trade.

It is worthy of note that the Guggenheim interests of North America spent a fortune trying to bolster Chilean nitrates against Farben's piratical raid. The Guggenheims were not interested in nitrates themselves. As copper kings, they were the largest producers of copper in Chile.

Chilean economists date much of their political, as well as their economic woes, from the beginning of Farben's offensive against natural nitrates. The series of revolutions and social discontent that marked the years between World War I and World War II are mainly attributed to this organized destruction of Chile's major industry.

Chile's experience was enlightening to other Latin-American nations. None cared to test the ruthless power of I. G. Farben.

And, as in the United States, I. G. Farben men immediately announced their intention of becoming citizens. They married into Latin-American families. They did business favors for Latin-American business men. And they were amply supplied with funds.

The chief of the Farben expeditionary force in Latin-America was Alfredo Moll, Director of Anilinas Alemanas, the I. G. Farben subsidiary in Buenos Aires. Alfredo Moll has direct supervision over all other Farben agents in Latin America. Significantly, Moll's sister is married to a noted Argentine financial expert and director of the Banco Central de la Argentina.

Moll was, of course, a naturalized citizen of Argentina. He had an Argentine passport and received the preferential treatment accorded citizens of the Latin American countries in tours of the southern continent. Moll has never concealed his pro-Nazi sentiments and was known as one of the most prominent followers of Hitler on the southern continent.

I. G. Farben was represented in South American countries by a chemical, a photographic and a pharmaceutical branch. The chemical companies were generally known as ANILINAS ALEMANAS. The photographic companies are known under the name of AGFA. The pharmaceutical companies centered around the German BAYER name, a name familiar to Latin-Americans for years past.

As a matter of fact, many Latin Americans were never aware that American Bayer supplied them with pharmaceuticals during World War I. Bayer was Bayer to the average South American and Bayer meant Germany to him. The Farben organization made the most of that.

One of Alfredo Moll's ablest lieutenants was a man named Arnold Magerie, Director of the Bayer Company in Venezuela. Magerie was also "Landesgruppenleiter"—the Regional Head—of the Nazi Party in Venezuela. At the same time, he was "Stuetzpunkt-leiter"—Point of Support Leader—of the Nazi Party for all of the West Indies. He was in constant touch with other Nazi regional heads and German agents through Alfredo Moll and served as a pipeline between Moll and Farben agents in Central America and Mexico.

Other key Farben men in Latin America included Erwin Grosser head of the German Bayer Company in San Jose, Costa Rica. Grosser was the Nazi "Ortsgruppenleiter"—the Local Leader—in San Jose. He received instructions directly from Otto Reinebeck, the Nazi Minister for Central America, in Guatemala. Grosser served as a Nazi courier to other agents scattered throughout the countries just north of the Panama Canal.

A prominent Farben agent in Mexico City was Enrique Paredes, who was closely associated with Grosser in Costa Rica. Paredes received coded messages and subscriptions from Nazi members from all parts of Latin America.

Ludwig Schreiber, manager of the German Bayer

Company, was one of the leading Nazis of Mexico City and his assistant, a man named Dierlex, was charged with being a Nazi espionage agent. Another Farben man, J. M. Fischer, Director of Anilinas Alemanas, was the head Nazi propagandist in Mexico.

In Chile two officials of the German Bayer Company—Walter Bergner Kirsch and Werner Schorr—were arrested on charges of pro-Nazi subversive activities. The manager of the Bayer company in Chile was arrested also but later paroled without charges being prosecuted.

And thus it went throughout Latin-America. In every country Farben agents served as Nazi spies and propagandists. There was no particular need, in the days leading up to the rapprochement between the United States and Latin America for I. G. Farben to be circumspect on the southern continent. North American firms had turned Latin American markets over to Farben. There was nothing to fight about.

Thus long before Hitler, Max Ilgner and Hermann Schmitz were concentrating on political penetration of South America, satisfied with I. G. Farben's domination of the industrial markets.

One of the biggest breaks for I. G. Farben in Latin-America was Max Ilgner's foresight in going to the rescue of Ramon Serrano Suner on the eve of his intended execution by the Loyalists in the Spanish Civil War.

Thus, when Serrano Suner came to power, he was approached by Farben men in Madrid, and I. G. Farben furnished finances for Falange propaganda throughout Latin America. Conservative Latin Americans of Spanish birth and descent were susceptible to Falange propaganda which they would have resented from Farben or Nazi agents.

Ilgner was satisfied. The Western Hemisphere was under control. So far as I. G. Farben was concerned, in North and South America, Hitler could start World War II whenever he was ready.



# "WHERE IS THE MONEY COMING FROM?"

*Millions for espionage, but not one cent for creditors . . . That was Hitler's policy toward America. Puzzled F. B. I. investigators for a time lost their way in the maze of Farben financial empire.*

## CHAPTER XII

**T**HE MOST remarkable accomplishments of I. G. Farben in the promotion of World War II was the complete anonymity with which Max Ilgner and Hermann Schmitz surrounded German subversive activities in North and South America.

To a certain extent, Ilgner and Schmitz adhered to old Karl Duisberg's admonition to be patient and avoid direct action. But progress was made easy for I. G. Farben in its offensive against the world by the normal decencies of the democracies.

However, in all of the confused allegations and charges against organizations and individuals in the United States prior to World War II, Ilgner and Schmitz successfully kept the name of I. G. Farben, General Aniline and Film Corporation, and all other Farben organizations, out of investigations and out of the public prints.

Except for the minor flurry, when Congress investigated Ivy Lee, the publicist—and got nowhere—I. G. Farben was never under suspicion in the United States. Even more so, I. G. Farben avoided investigation in South America. There wasn't so much as an Ivy Lee flurry to annoy Max Ilgner south of the Rio Grande.

This apparent immunity encouraged the arrogant, conceited master of "Buero I. G., Berlin, NW7." The astounding success of his brother Rudolph Ilgner and his associates in the United States and the comparable success of Alfredo Moll and his satellites in Latin America developed a Napoleonic complex in Max Ilgner. He began to believe he couldn't make a mistake. As a fact, he didn't make many. If "Buero I. G., Berlin, NW7" collapses in the Western Hemisphere, it will be because of conditions beyond the control of Max Ilgner.

In the third year of the war—more than two months after Pearl Harbor—Max Ilgner's brother, Rudolph, was still a respected American citizen, quietly living on his farm in New Jersey. Yet Rudolph Ilgner, as head of Chemnyco—collectors of royalty payments in the Western Hemisphere for I. G. Farben—was the main source for transmission of funds to Axis agents in the Western Hemisphere.

Hermann Schmitz's job in the United States was to appease American Big Business. His secondary task was to recapture the Latin American markets from United States manufacturers. He succeeded

with amazing speed in both instances.

Max Ilgner's assignment was to convince Americans that Germany was not to blame for the war. His agents—who were the identical agents of Hermann Schmitz—were to establish confidence and prepare the way for the real espionage agents who were to follow at the appointed time.

By 1933, Max Ilgner had the groundwork all laid. There was a minor resentment against the Nazis during their early career. But depression and the expenditure of millions of dollars over the radio and in the newspapers under the able direction of Ivy Lee soon overcame that.

After 1934, "Buero I. G., Berlin, NW7," sent more and more agents to the United States in the guise of salesmen, technicians and scientists. Fritz Kuhn, the ex-chemist of the Ford Motor Company, the head of the Nazi Bund in the United States, was the most notorious in North America.

It is a toss up as to who was the most notorious of Max Ilgner's intelligence agents in Latin America. Gustave von Maree, leader of the Nazis in Chile? The men who tried to foment insurrection in Bolivia? The conspirators in the Misiones province of Argentina? The Bundsmen of the Rio Grande Do Sul in Brazil? The Nazi organization that was prepared to take over Uruguay and make it a German naval base in the Western Hemisphere? The pro-Axis government in Panama?

Max Ilgner had detailed reports on the activities of everyone of these individuals in North and South America throughout the years before World War II. His reports, as have been recorded, went to the Nazi Foreign organization, to the Economic Bureau of the War Ministry, to the Foreign Commerce Department, to the German Foreign office, and, most important, to Adolf Hitler's private office.

Yet never so much as a breath of suspicion was attached to I. G. Farben or any of its minions. The democracies of the West were aware that huge sums were being spent on Nazi propaganda and for Nazi provocation of disunity in the western nations in preparation for the German entry—whether it be I. G. Farben in a ruthless commercial way or Adolf Hitler with his Panzer divisions and Hermann Goering's Luftwaffe.

Secret Service intelligence men were convinced that the Nazi embassies and consulates were not dis-

tributing funds. For many years they were unable to penetrate the corporate labyrinth of I. G. Farben through which funds were distributed to all points in the hemisphere. When they were convinced, they couldn't get action against the offenders.

To this day, American intelligence operatives are not certain who were the mainsprings in Max Ilgner's organization in the Americas. Nevertheless, it is known that I. G. Farben subsidiaries everywhere acted as the paymasters and directors of the motley swarm of cheap spies and the esoteric band of highly skilled Nazi operatives that established themselves in the Western Hemisphere long before World War II.

When Captain Fritz Wiedemann, Hitler's company commander in World War I, came to the United States to take up his post as Nazi Consul General in the strategic post at San Francisco, I. G. Farben men—now American citizens—made him welcome. Wiedemann had a typically Farben personality. He was engaging and soft spoken. Ere long he was a sort of society pet.

Likewise, when the Princess Stephanie Hohenlohe arrived in the United States, she was introduced into society by Farben men—now established and influential American citizens. Princess Stephanie was a self-admitted agent of Adolf Hitler and once bragged that she was responsible for the Cliveden appeasement set of Great Britain. Before she could do the same sort of thing in America, the F. B. I. overtook her. To save herself from deportation, Princess Stephanie gave certain information to U. S. federal agents.

Immediately thereafter, Wiedemann, Hans Borchers, the Nazi Consul General, in New York and all of the Axis consular officials in the United States, were kicked out of America. It was discovered but not disclosed that Fritz Wiedemann, the engaging personality, was Max Ilgner's head man on the West Coast, charged directly with getting instructions and funds into Mexico and South America—and also with preparing the way for I. G. Farben shipments through Japan by way of Siberia to North and South America when war came. The German Republic and Nazi Germany were always head over heels in debt to the United States—both in public and private debts. The Germans as a nation, or as individuals, had no credit balance in the Americas. Yet no propagandist, no subversive organization in existence ever had the funds that the Nazis spent in North and South America. Where did this huge fund originate?

Intelligence men originally looked with amazement at the erratic Joe McWilliams, the pro-Nazi fanatic of the Yorkville section in New York City. They didn't believe that the deluded following he attracted could support him in the style in which he lived.

***They wondered where other agitators got their funds for anti-democratic propaganda; and William Dudley Pelley, and Deatheridge, and an odd dozen fanatics who always seemed to be well supplied with anti-democratic propaganda expenses.***

In the third year of the World War, there was an inkling. But there was still no proof. Patient Federal investigators believed they had the answers. They got nowhere in the courts. I. G. Farben had been unbelievably circumspect and incredibly successful in establishing itself as an American enterprise operated by "American citizens."

In Berlin, at "Buero I. G., Berlin, NW7," Max Ilgner must have laughed long and loud at the will o' the wisp the authorities of the western democracies were chasing. Business was business. In a democratic country there was no excuse for interfering with business unless criminal proof was forthcoming. Max Ilgner's diabolical cleverness made that impossible.

Likewise in Latin America—Max Ilgner's organization functioned perfectly. It was never seriously tagged with subversive action although Farben men were much more blatant in the Latin nations than they dared be in the United States.

As a consequence, Max Ilgner's intelligence service was able, after 1936, to coordinate the activities of the Japanese—many of whom had been encouraged by the Germans to migrate to Brazil, Bolivia and other Latin-American countries—the Italians, and other sympathizers throughout the western world.

Ilgner's inspection trip through South America in 1936—and his many conferences with Farben agents from the United States and Central America—was a final looksee.

I. G. Farben was predominant commercially in Latin America. Its espionage and propaganda organization was functioning without hindrance. Funds flowed freely between North and South America for Ilgner's purposes. Vaster funds flowed from both continents to I. G. Chemie in Switzerland to finance Nazi preparations for World War II.

The Japanese understood their role in coming events and Ilgner's agents were safely anonymous in both North and South America. The Nazi wireless agency, the official D. N. B., the German Information Service, the German Tourist Bureau, all were hitting their stride.

Among them they gave free Nazi inspired press service to newspapers everywhere in Latin America and in some localities in North America. They furnished free copy for radio broadcasts and furnished free radio programs in some Latin American cities.

All of this was supplemented by the advertising on the radio and in newspapers paid for by I. G. Farben companies. Millions of dollars were spent advertising Bayer Aspirin, Cafiaspirina, Fenaspirina, Tónico Bayer and a dozen others. The names were splashed on billboards, blazoned in newspapers, heralded tiresomely every day over radio programs. Truly I. G. Farben was a benefactor of mankind in the Western Hemisphere!

Few knew the relationship between I. G. Farben and these popular brands of pharmaceuticals in North and South America. Few knew for that

matter—outside of big business and financial circles—of the existence of I. G. Farben, the largest corporation in the world, with hundreds of subsidiary corporate tentacles reaching out to destroy free enterprise and dislocate national economic stability.

However, many a newspaper and many a radio station below the Rio Grande was aware that there would be no advertising revenue forthcoming from this apparently bottomless propaganda fund unless the "give-away" news dispatches of the Nazis news agencies and the free inspired Nazi releases from other sources were interspersed between the paid-for advertisements.

Max Ilgner planned carefully and he planned well. He attained a remarkable success. In 1936, in South America he told his Western Hemisphere aces to be ready for World War II in the spring of 1940. Max Ilgner didn't anticipate the impatience of Adolf Hitler. According to the German High Command,

World War II was to begin in the spring of 1940. It wasn't Max Ilgner's fault that Hitler started in September, 1939.

But, it didn't make any difference. Max Ilgner and Hermann Schmitz were ready in the Western Hemisphere. They were ready in 1936. They were even better prepared by September, 1939.

\* \* \*

Ring up the curtain and on with World War II! Watch I. G. Farben hold on to their commercial dominance in the Western Hemisphere. Watch Max Ilgner's espionage service operate without hindrance.

Far into the third year of World War II, I. G. Farben's commercial supremacy continued to mount. The "State Within a State" was running a large part of the world. Certainly, it was everything in wartime Nazi Germany—except a soldier risking death on the field of battle.

I. G. Farben was all set to realize on the military victory of the German War Machine—or win the peace by another great offensive against democratic world markets.



**THE LATE  
DR. KARL BOSCH  
AND SON**

*They visited America  
just a few years  
ago to further the  
German intrigues.  
Dr. Karl Bosch, Jr.,  
was carefully groomed  
to succeed his father,  
the poison gas  
inventor.*



# THE PLUNDER BARONS REAP A HARVEST

*Finally Hitler marched. Conquered nations yielded their oil, radium, chemicals, coal, textiles—and the Farben octopus gorged on the richest loot in Europe.*

## CHAPTER XIII

**W**HEREVER I. G. Farben agents have appeared in the guise of commercial traders, war and conquest have immediately followed.

Wherever the hordes of Hitler have carried their scourge of blood and tears, in the first three years of total war the vultures of I. G. Farben have followed—to glut themselves on the richest spoils of the battlefields.

I. G. Farben already controlled chemical production in Europe before World War II. But after the military invasions—the second phase of Farben procedure—Hermann Schmitz sought complete domination. I. G. Farben was to be the uncontested czar, sharing nothing with anyone, except for a price.

Farben agents and Farben Fifth Columnists were on hand to greet the incoming conquerors—ready to apply a uniform formula devised by Hermann Schmitz for taking over plants and properties of the vanquished foe.

First—The amalgamation of foreign industries with those of the Reich, coupled with financial penetration and control.

Second—The direction of orders and raw materials exclusively to industries taken over by Farben—thus depriving recalcitrant industrialists of all materials and orders.

Third—The conversion of seized industries to the use of synthetics and substitutes manufactured either in Germany or under Farben patents in other Nazi occupied countries.

These three Farben policies were the official policies of the Nazi government in all other economic respects. Their application explained the almost instantaneous conversion of enemy industry into units for the German war production after the conquests.

I. G. Farben is the largest manufacturer of many synthetics and substitutes and the sole manufacturer of the most important.

Farben's own man—Karl Krauch—is Hitler's right-hand man for chemical war production and Professor Beck—his right-hand man for metal war production. Thus through its monopoly of synthetics and the squeeze of Krauch and Beck's autocratic orders, I. G. Farben took what it wanted.

Hermann Goering's loot from the Rothschild palaces in Austria in 1938, the plundering in Czechoslovakia, Poland, the Low Countries, and the pillage

of French treasures in Paris, were petty larcenies in contrast to the industrial and economic plunder of I. G. Farben.

Always cautious, however, Hermann Schmitz and Max Ilgner went through the appearances of legal proceedings in the acquisition of captured industries. The same old tortuous inter-corporate procedure of peace-time—magnified a hundredfold in war—was supposed to conceal the fact that Farben's acquisitions in occupied countries were bare faced robberies.

Schmitz always considered the possibility of a German defeat before it was all over. Thus, while Hitler was still top-dog, Schmitz sought to give a legalistic appearance to Farben's plundering and in some instances was willing to take former enemies into the Farben organization—if they were amenable—to assure a friend in court, a dummy to take over "ownership" if Hitler was finally defeated.

Farben interests were strongly entrenched in Austria when Hitler marched in 1938. Farben, however, proceeded to monopolize its chosen fields completely immediately after the occupation.

Following the Hermann Schmitz formula, I. G. Farben changed the name of Anilin Chemie A. G.—the Farben unit in Austria—to Donau-Chemie A. G.

Pressed by Ministers Krauch and Beck, the Pulverfabrik Skoda-Wetzler A. G.—Austria's largest powder manufacturer—was turned over to I. G. Farben outright. It had been owned by the Austrian government.

Schmitz's next move was to seize Wagenmann, Seybel & Co., Vienna, a private concern and a large manufacturer of heavy chemicals. This firm owned 50 percent of Sprengstoff-fabrik Blumau A. G.—next to Farben's own Austrian plant the largest manufacturer of high explosives in Austria. With this plunder, I. G. Farben forced its way to the same completely dominant position in Austria that it had long held in Germany.

Before Hitler defied the democracies after Munich and marched into Czechoslovakia, I. G. Farben had stolen everything it wanted in Austria. The Austrian industry had been hitched to the Farben-Nazi war production machine.

Farben agents had also penetrated Czechoslovakia before the Nazi occupation. I. G. Farben already con-

trolled the A. G. Dynamit Nobel, at Pressburg, the manufacturers of high explosives.

Immediately after the occupation A. G. Dynamit Nobel seized the holdings of the Societe Francaise des Petroles de Tchecoslovaquie in the Apollo-Naptha-Handels A. G. of Prague. The latter company in turn was the trading organization for the Mineraloel-Raffiniererei A. G., of Pressburg.

This corporate maze meant that I. G. Farben emerged with the ownership of oil wells in Goeding and Lundenberg—stolen from their legitimate Czechoslovak and French owners.

The acquisition of the most important oil fields in Czechoslovakia served to bolster the Deutsche Gasolin A. G., the Farben subsidiary that took over gasoline distribution after Standard Oil and Royal Dutch Shell had been cleared out.

To make a good thing better, the Deutsche Gasolin seized Brueder Zirmund A. G., the tank distributors for Czechoslovakia. Later Farben took over the Creditul Minier, of Vienna, owners of large oil interests in Rumania. Thus, even before actual war, Farben-Nazi aggression had organized the beginning of what Hermann Schmitz hoped would become a rival of Standard Oil and Dutch Shell in the international markets.

But Hermann Schmitz was still not satisfied. Czechoslovakia owns some of the most valuable radium mines in Europe. After the "Liberation" of Joachimstal, in the Sudeten, Farben stole the radium mines.

The history of I. G. Farben's plundering in Europe continued to parallel the ravages of Hitler's war machine. Farben followed closely on the heels of the Nazi hordes into Poland where Hermann Schmitz had greedy eyes on the rich coal deposits of Upper Silesia.

I. G. Farben had tried for many years to obtain its own source of coal in Germany to make it independent of the German Coal Trust.

The destruction of Poland, therefore, became vitally important in I. G. Farben's scheme of things. Before the fleeing Poles were out of their own country, Farben grabbed the rich mines of the Fuerstengrube corporation at Katowice, thus firmly entrenching itself in Poland's key industries as well as guaranteeing an independent source of coal. Schmitz as usual gave a legalistic aspect to the robbery by going through the form of acquiring 51 percent of the Fuerstengrube's capital.

I. G. Farben then increased its own recorded capitalization by 100 million reichsmarks in readiness for Hitler's conquest of France where Hermann Schmitz expected to loot the richest prize of all.

The big prize was Etablissements Kuhlmann—the DuPont of France. As early as 1921, I. G. Farben had forced Kuhlmann into a subordinate position in the chemical markets of Europe by under-selling and dumping in French markets.

However, there still remained strong French interests with considerable holdings in Kuhlmann whom Schmitz always regarded as a menace to Farben's dominance. Chief of these was the Banque de

France et de Pays Bas. Important, also, were three metal concerns with large holdings in Belgium and Spain; the Societe Miniere et Metallurgique de Penaroya; the Compagnie Royale Asturienne des Mines; and the Mines et Fonderies de Zinc de la Vielle Montagne Angleur.

Powerful and astute French financiers were concerned in these chemical and metal companies. I. G. Farben started its plundering in France by getting Kuhlmann's important subsidiary in Alsace — the Societe des Produits Chimiques et Matieres Colorantes de Mulhouse—as an outright gift from Nazi Minister Beck. Thereupon the French interests in Kuhlmann took alarm and sought to protect themselves through Vichy.

Their efforts were hopeless from the outset. Farben's man, the Economic Minister, issued the famous order of November 20, 1940, through the Nazi Military Governor of France, requiring the appointment of a "special German delegate to supervise all French factories and industries."

The "delegate" assigned to Kuhlmann was a member of I. G. Farben's Berlin headquarters. All books and records were thrown open to Farben thus acquainting Hermann Schmitz with the intimate details of Kuhlmann's internal organization and its financial condition.

It was quickly discovered that Kuhlmann depended to a large extent on bank capital for financing—unlike I. G. Farben which has its own independent Central Finance Administration. This dependence on bank capital was the Achilles heel in Kuhlmann.

Rene Duchemin, president of Kuhlmann, received an order shortly after the installation of the Farben "delegate," to appear before the Nazi commissar now in charge of the Banque de France et Pays Bas. There Duchemin was told curtly that all loans and credits—the working capital of Kuhlmann—must be repaid instantly.

The bewildered Frenchman pleaded for time but I. G. Farben would not let Etablissement Kuhlmann out of its grip. Duchemin finally declared he could see no way out as Kuhlmann could not possibly meet the German demands.

Thereupon, Duchemin was told with ironic politeness that there was a way out. In an entirely "legal" way, Kuhlmann and I. G. Farben would float a new issue of stock. Farben would, of course, acquire control of the new stock and "take care" of Kuhlmann's obligations to the German commissar of the Banque de France et Pays Bas.

As a sort of insurance for the future, Kuhlmann was allowed to retain a slight majority stock ownership. This face-saving device was in line with Hermann Schmitz's policy of preparing for dummy ownership in event of a Nazi defeat. Practically, I. G. Farben had stolen one of France's largest industries from its legitimate owners.

Thus I. G. Farben took over the French production of dyes, heavy and fine chemicals, of fertilizers—an important commodity in Europe—particularly the French nitrate industry, the processing of glue and

gelatine, and a key position in the French rayon industry, thereby controlling much of the French textile industry, which is dependent on rayon supplies.

In the postwar world, this dictatorship of I. G. Farben would have far reaching repercussions. With French and other competitors eliminated from the export fields, Hermann Schmitz could then name his own terms. Inevitably Farben's monopoly would be followed by an increase in prices, a deterioration in quality, inadequate service, and all the other evils inherent in the world program proposed by Hermann Schmitz and his Nazi associate.

Between 1918 and 1939, France had become the chief financial agent of the Balkan countries. As a consequence, French interests had large holdings in Yugoslav industries. From the I. G. Farben headquarters in Paris, plans were made after the French collapse for taking over the Balkans. When the Nazi panzer divisions struck south from Rumania and west from Bulgaria early in 1941 I. G. Farben was ready.

Under pressure from Pierre Laval, the one-time heir to old Marshal Petain as head of the Vichy government, French owners were forced to "sell" their Balkan holdings to I. G. Farben for worthless German war marks. At the last moment the venerable Marshal had a twinge of conscience and the success of the piracy was for a time in doubt. However, Laval paid off handsomely at that time for the fat legal fees he got from Farben during the decade preceding World War II. Laval ironed things out and Petain was silenced.

In this manner I. G. Farben seized the important copper deposits of the Mines de Bor in Yugoslavia—one of the richest sources of copper in all Europe. The deal was handled in Belgrade by Franz Neuhausen, ostensibly the head of the German Travel Bureau in Yugoslavia. Neuhausen was for many years the Nazi Consul General at San Francisco. His role as head of the travel bureau in Yugoslavia was typical of the deception practiced by Farben agents in collaboration with the Nazis everywhere in the world.

The Bor Mines under Nazi pressure exported two-fifths of its copper production to Germany before the Nazi invasion. After the conquest—after Farben took over—two-thirds of Bor Mines' copper went to Germany. The other third was used by Farben in Yugoslavia to supply Farben controlled war industries for Hitler's war machine.

But the Bor Mines were only a beginning for Hermann Schmitz in the Balkans. In rapid succession, I. G. Farben "bought" the Moster Lack-und-Farbenwerke, A. G., in Zagreb; the Fabrik Chemisher

Produkte in Hrastnik; the Ludwig Marx Lack Factory in Domzale, and the Reichhold, Fluegger Boecking A. G. in Belgrade. These piracies gave Farben a monopoly in the chemical and synthetic fields throughout the Balkans because Rumania, Bulgaria and Greece were subordinated to the Farben Balkan head quarters at Belgrade.

As a final gesture, the Farben owned Osterreichische Dynamit A. G. of Vienna, "bought" the Bosnische Elektrizitaets A. G., of Jajce. This concern owned huge electric and water power plants in Yugoslavia and manufactured calcium carbide, chlorine and other heavy chemicals. It became one of I. G. Farben's most important subsidiaries in the Balkans.

There remained only one corner of Europe that Hitler had not invaded and that I. G. Farben had not looted. In this instance, neither force nor looting was necessary. Because in Spain, the most powerful man in the government was a Farben agent—the Foreign Minister Ramon Serrano Suner whom Farben agents had saved from a Loyalist firing squad during the Civil War in 1936.

Only a few months after Serrano Suner's brother-in-law—Dictator Franco—had swept aside all vestiges of democracy in Spain, an agreement was reached in 1939 by which Spain's considerable production of nitrogen was turned over in its entirety to Farben for distribution. Thus, even before the war, Farben dominated Spain but, after the collapse of France, Hermann Schmitz reached out further to consolidate his position in that war devastated nation.

The Sociedad Iberica del Nitrogeno, of Madrid, was owned by Air-Liquide, of France. It exploited the French Claude patents for synthetic ammonia in Spain. Like the squeeze that stole Etablissements Kuhlmann, Farben put pressure on Air-Liquide and took over that firm thus obtaining an uncontested monopoly of synthetic nitrogen in Spain.

The Union Espanola de Explosivos Soc. Anon. of Bilbao and Madrid, was the largest producer of natural nitrogen in Spain. It owned mines and factories in Albacete, Miranda, and Palencia, and two of the largest potash deposits in Europe on the banks of the Rio de Cardoner. Foreign Minister Serrano Suner arranged for I. G. Farben to "buy" this nationally strategic firm.

From a monster corporation in the chemical world, I. G. Farben had accompanied Adolf Hitler through a holocaust of blood and tears until it had become the largest corporation anywhere in the world. Farben now dominated oil, coal, electric power and other fields in addition to its pre-war European monopoly of chemicals and synthetics.



## PLAN NO. 3 TURNS THE TRICK

*American dimes and quarters still rolled into Berlin  
—while Farben scoffed at the British blockade! But  
the notorious game of hide-and-seek was nearing  
its end.*

### CHAPTER XIV

**M**AX ILGNER and Hermann Schmitz were ready in North and South America when Adolf Hitler opened the military phase of the German war plot in Poland on September 1, 1939.

Max Ilgner's espionage agents were stationed strategically throughout the United States and Latin-America. Herman Schmitz's representatives were naturalized Americans, firmly entrenched in business, financial and social circles in the Western Hemisphere.

The Farben-Nazi organization in South America was efficiently coordinated with the Farben fifth columnists in the United States.

But there was one hitch at the outset of the undeclared war. Ilgner and Schmitz planned on the opening of hostilities in the spring of 1940. Adolf Hitler's impetuosity advanced the date to the fall of 1939—against the counsel of his Generals and in the face of the fall rains that were expected to turn the plains of Poland into a morass of mud. Hitler's luck stood by him. Poland in the fall of 1939 experienced its driest season in many years.

However, the change in the Nazi time-table caught I. G. Farben short in Latin-America. Schmitz had shipped huge quantities of heavy chemicals and pharmaceuticals to his three main headquarters in Latin-America. These were the Anilinas Alemanas, in Buenos Aires; the Alianza Commercial de Anilinas, Ltda., in Rio de Janeiro; and the Compania General de Anilinas, in Mexico City.

The great stock piles were located strategically for distribution to Farben branches everywhere in Latin America. They were the war reserves to hold Farben markets in the Western Hemisphere during the war.

But Farben had been able to get only about a year's reserve into the Latin-American headquarters when the war broke. Several Nazi ships that carried Farben products to Latin-America were caught on the American side of the Atlantic by Hitler's invasion. It became apparent later why many more Nazi freighters were caught in Latin American ports by the British blockade than in the ports of North America. Because Hermann Schmitz had his own production plants in the United States. But for reasons of "prestige," he was ambitious to assure an uninterrupted German supply in Latin America. The Nazi freighters were therefore concentrated on shipping to the Latin nations.

I. G. Farben did not want to risk losing its economic and political importance in Latin-America and thereby the key points of Nazi influence in the Southern Continent. And Hitler greatly aided Farben in this emergency by refraining from attacks during the "phony" period of the war between September, 1939, and the invasion of the Lowlands in May, 1940.

North and South Americans alike at that time shrugged their shoulders and dismissed the European war as an isolated conquest of Poland. The Germans were believed to have no intention of attacking anyone else. And the fumbblings and lassitude of the democracies seemed to indicate that they had no intention of attacking the Nazis.

Thus during the "phony" phase of the war, I. G. Farben was given ample time to get its Western Hemisphere organization into shape. Alfredo Moll — Farben's chief liaison agent in Latin-America—made several trips between Buenos Aires and New York to complete arrangements.

On his many trips he worked out supply sources with Dietrich A. Schmitz, Walter H. Duisberg, Rudolph Ilgner, Wilhelm vom Rath, and the other principal men in Farben's North American organization. Alfredo Moll planned to depend eventually on supplies from General Aniline and Film Corporation, Sterling Products and their many subsidiaries. He was assured that Farben in Latin America could depend on Farben in the United States.

During the first year of the war—even after the invasion of the Lowlands and France and the all-out Nazi massacres in Great Britain—Alfredo Moll was not so much in need of supplies as he was in need of American dollar credits.

Because at this time, Latin-America was being supplied directly from Germany by the way of Siberia and Japan. These supplies were sent from Vladivostok to the firm of Morimoto B. Shakai in Kobe and thence to Farben in the Latin-American countries.

In the meantime, the Farben organization in the United States was getting its house in order to complement the second phase of the Farben defense in Latin-America and prepare for the third alternative—the spread of war to Russia and the United States.

Anticipating problems, Hugh S. Williamson, a native born American, took over the job of First Vice-President and Treasurer of General Aniline shortly

after the outbreak of the war. Walter H. Duisberg retired from that too conspicuous a post but stayed in the background as the mentor of Dietrich A. Schmitz.

Duisberg had a much more important role to play. He became the principal assignee of I. G. Farben patents in the Western Hemisphere. As a naturalized citizen, this son of Karl Duisberg, the old arch-plotter of Frankfort-on-the-Main, was chosen to implement the policies of his aggressive old father. Through this maneuver the American government was expected to be legally unable to confiscate Farben patents even during war because they were "owned" by a naturalized American, Duisberg—who was, of course, to return them to I. G. Farben after the war, whether the Nazis won or lost on the fields of battle.

But the transfer of patents required a physical contact between Farben in the United States and Farben in Germany. Hermann Schmitz insisted that everything be done according to the "law" of the democracies. Schmitz didn't want to risk his American gold mine through failure to comply with the laws that the democracies so meticulously observed.

It became necessary then to send a Farben man from America to Europe. President Roosevelt had restricted travel abroad in belligerent territories and passports were almost impossible for anyone except official or semi-official Americans with important assignments in Europe.

***For that reason, neither a Duisberg, a Schmitz, an Ilgner, nor a vom Rath, seemed sufficient although they went to Europe on one or more occasions during the interval. Hugh S. Williamson, the native American vice-president and treasurer of General Aniline—97 per cent of which was owned by I. G. Farben of Germany—did much of the special envoy work.***

Williamson visited Switzerland in the early spring of 1940. He enjoyed long and uninterrupted conferences with Hermann Schmitz, Max Ilgner, Felix Iselin and other big shots of the Farben-Nazi organization.

Williamson returned to the United States with confidential instructions for the wartime operation of the I. G. Farben organization in the Western Hemisphere. The American Farben official went back to Berlin and Frankfort in the fall of 1940 for further and final instructions.

After Williamson returned from his first trip, the Farben forces in the United States swung into action to help the South American Nazis in the operation of the second alternative plan for holding on to Farben markets and influence.

General Aniline undertook to supplement Farben's shipments of chemicals and dyes reaching South America from Germany by the way of Russia and Japan.

These shipments from the United States were handled by the General Dyestuff Corporation — the Farben subsidiary with a perpetual contract to market all General Aniline products in the United States.

General Dyestuffs, capitalized at a few millions of dollars, has handled hundreds of millions for I. G. Farben in the space of a few years.

It was owned solely by Ernest Halbach, its president, and W. H. Duisberg, both old and trusted Farben men and both naturalized Americans.

The Sterling Products Incorporated, through its main subsidiaries, American Bayer and Winthrop Chemical, provided additional Farben pharmaceutical supplies.

During the first two years of the war, Sterling Products shipped more than a half million dollars worth of pharmaceuticals and semi-manufactured materials to I. G. Farben agents in nearly every country in Latin-America.

In South America, these Sterling manufactured goods were finished and packed—marked "Made in Mexico," "Made in Brazil" and so forth—and in many instances marked "Made in Germany"!

In addition to all this, during the first year of the war, Sterling Products transferred to I. G. Farben in Germany over \$1,200,000.

As a consequence Farben prestige in Latin-America grew instead of diminishing in wartime. There was little or no competition with the United States as there was in World War I. And Farben revenues rolled in steadily. Farben advertising was increased. The name of "Bayer"—synonymous with Germany—blared from the radios, splashed through newspapers and was blazoned on posters and billboards.

Adolf Hitler's Nazi agents and fifth columnists never lacked for funds. The Farben paymasters of Max Ilgner were always at hand. They were amply supplied with funds. Little wonder that the people of Latin-America were impressed by the invincibility of Nazi Germany and the ineffectiveness of the British blockade.

When the Nazi freighter "Lech" succeeded in reaching Rio de Janeiro in the March of 1941, the Nazi inspired press and radio had a Roman holiday. Aboard the "Lech" were 121,295 kilos of highly valuable dyes and chemicals. I. G. Farben proclaimed the invincibility of Adolf Hitler.

Farben agents scoffingly pointed out that Britain could not stop Farben deliveries in the Western Hemisphere. At Pan-American conferences, Nazi agents repeated the boast. Farben men everywhere took orders and posted bonds guaranteeing deliveries within a few months—a cash pledge that the war would be over with the Nazis triumphant by that time.

However, the R. A. F. defense of Britain upset the Farben-Nazi calculations. Britain still stood and deliveries had to be made.

***Farben didn't lose a penny on its cash guarantees. Deliveries that couldn't be made over the Russo-Jap route were filled from the Farben plants and affiliates in the United States.***

By this time, the western democracies, outraged by the mass slaughter of helpless civilians in Rotterdam and London, were becoming restive.

President Roosevelt's order freezing the funds of

occupied countries in April 1940 caught Hermann Schmitz by surprise. He had neglected to transfer in time General Aniline stock held by the two Dutch holding companies to the I. G. Chemie in Switzerland, the other large stockholder of General Aniline owned by I. G. Farben of Nazi Germany.

The Presidential order made it impossible therefore to transfer profits through Holland to Farben in Germany. To all appearances, the President's action placed General Aniline under the supervision of the United States Treasury. However, the pipeline to Farben by way of Felix Iselin and the I. G. Chemie in Switzerland was still open.

Thus in February, 1941, almost a year after the freezing of Dutch funds in the United States, General Dyestuff—General Aniline's sales agent—established through the National City Bank of New York in a strictly "legal" manner a letter of credit amounting to 2,382,795.70 Swiss francs to the Credit Suisse, of Basle, Switzerland, in favor of I. G. Farben. This huge sum was but one of many transfers of dollar credits to Germany.

The specific remittance cited above was in payment for Farben products made in Germany that had been shipped to Latin America by way of Russia and Japan or from Germany direct.

However, Department of Justice men were looking I. G. Farben over by this time. There was a tremendous huzzah and outcry in the United States over Nazi fifth column activities in Latin-America. Public opinion was demanding action.

W. E. Weiss, a member of the board of General Aniline and chairman of the board of Sterling Products, and Earl I. McClintock, vice-president of Sterling, saw the handwriting on the wall.

In the early spring of 1941 Weiss and associates, realizing that American foreign and domestic policy would present them with increasing problems in cooperating with I. G. Farben, found means of reassuring Herr von Schnitzler (I. G. Farben's Number 1 commercial man and father-in-law of Number 2 Nazi spy Scholz in the U. S.) that, although their actions from this point might appear to be unfriendly, they would at all times continue to consult I. G. Farben's best interests in this hemisphere and would keep any harmful action to a minimum.

A few weeks later, on June 14th, President Roosevelt issued his famous order "blacklisting" Nazi and pro-Nazi firms in Latin-America. This was an apparent death blow for the I. G. Farben branches because only eight days later Hitler treacherously attacked his Russian partner and the Russo-Jap route from Germany to Latin America was closed.

The time had come to employ Farben's alternative plan No. 3—designed in event the war should spread and the Farben-Nazis had to prepare for a long blockade in Europe.

After the attack on Russia, all Farben supplies in Latin America had to be obtained from the United States—but the United States "blacklist" forbade

the shipment of goods from North America to Nazi firms in Latin-America—the most notorious of which were I. G. Farben subsidiaries.

Plan No. 3 was designed to meet such a situation. The first step was to reorganize an inconspicuous little export firm known as Fezandie and Sperrle in New York City. It was virtually unheard of in export circles.

But General Dyestuff—the Farben sales agents—immediately transferred its export manager—Gerhard Neisser—to Fezandie and Sperrle. Neisser was a German, equipped with a Chilean passport!

Through this dummy firm, General Aniline shipped chemicals and dyestuffs to similar dummy companies set up in Latin America—firms like A. R. Cunha, Junior, in Rio de Janeiro. From a dummy in the United States to dummies in Latin America, the shipments continued long after the "blacklist." Some of the products after arrival at the Farben distributing points were marked "Made in Germany" and sold to the public as such.

These dummy companies were often operated in Latin America for only one or two shipments from the United States. By the time American consuls caught up with them and traced their connection to Farben, they vanished and new dummies took their place. Hermann Schmitz and Max Ilgner must have had many a hearty laugh watching the democracies chase these illegal will o' the wisps through the law and order of the Western Hemisphere.

Somewhat similarly, Sterling Products made good on Chairman Weiss' promise to Herr Von Schnitzler in the following manner:

First—By rushing large supplies to the German Bayer agents throughout Latin-America during the first half of 1941 before the "blacklist," giving them stocks to last a long time.

Second—By taking over the marketing of the patent medicines—Aspirin, Tonico-Bayer and so forth—and leaving the "ethical" products, such as Salvarsan, Luminal, Atebrin, Plasmochin, etc., to Farben to maintain Farben prestige.

Third—By setting up new "American" companies to market these patent medicines.

By the fall of 1941, the Federal authorities of the United States had caught up sufficiently with the activities of W. E. Weiss, and A. E. Diebold to obtain an indictment charging criminal conspiracy in connection with the notorious surrender of Latin-America by Sterling Products to I. G. Farben many years before.

*Farben men were non-plused for a moment. Worried over impending events Sterling hired Thomas G. Corcoran, the former New Deal "braintruster" and a powerful lawyer in Washington. On September 5, 1941—only three months before Pearl Harbor—Corcoran obtained a consent decree dissolving the iniquitous agreement with I. G. Farben by which Farben collected 75 per cent net from Latin-America to help finance Adolf Hitler.*



**The Sterling Products defendants were fined the trifling sum of \$26,000 and Corcoran, himself, is said to have written a press release designed to prove that an American court had freed a "helpless" American corporation from the stranglehold of a bad Nazi octopus.**

This served Hermann Schmitz in a highly satisfactory manner. It protected I. G. Farben's associate with only the insignificant loss of \$26,000 for the time when the war would be over and Farben should return to win the peace a second time.

Federal agents spent weary, tortuous months unraveling the involved corporate secrecy of I. G. Farben in the Western Hemisphere. They had sufficient proof to get an indictment and they were impatiently eager to get Farben men and their associates on the witness stand under oath in open court. They wanted a court order to subpoena Sterling Products' records and correspondence. There were many questions the Department of Justice wanted answered in the vital interests of American national defense.

**The consternation in the Department of Justice when "Tommy the Cork" got a consent decree can, therefore, be imagined.**

Even milder was the penalty imposed in the case of Rudolph Ilgner, brother of Max Ilgner of "Buero I. G., Berlin, N.W.7" and a nephew of Hermann Schmitz, the generalissimo of I. G. Farben's world wide Nazi empire.

Federal Bureau of Investigation agents finally obtained an indictment against Rudolph Ilgner early in 1941 in connection with an investigation into the identities of the interests controlling nitrogen and other vital chemicals used in the manufacture of high explosives and munitions in the U. S. A.

While the F. B. I. was still pursuing its investigation, Rudolph Ilgner ordered his employes in the sumptuous office on Fifth Avenue, in New York, to burn all records of the Chemhyco firm—the Farben subsidiary that handled Farben patents and royalties in the United States.

In Federal Court, Ilgner brazenly pleaded guilty to ordering the destruction of the records. He was fined \$1,000. Hermann Schmitz and Max Ilgner would have paid a million to keep those records out of American sight—records of Nazi espionage and propaganda payments in America.

\* \* \*

Thus on December 7, 1941, Farben key men in North and South America—all naturalized citizens and therefore none of them "Enemy Aliens"—occupied chief executive positions in the largest corporations in the hemisphere.

They had American passports, they could travel where they pleased, do what they wanted, send money where it suited them, and correspond with Germany, Italy or any Axis country via South America. They were apparently immune from investigation or prosecution of any serious consequence!

The Farben expeditionary force to the Americas had achieved an extraordinary success. While the

German headquarters plundered all of Europe, the Farben contingent laid the groundwork solidly in North and South America.

Farben was firmly entrenched in business, financial, social—and even governmental—circles! Then came Pearl Harbor on December 7, 1941, and an angry Uncle Sam began to arouse himself.



HERMANN SCHMITZ

**Germany's most powerful industrial giant, head of the Farben colossus. Don't let his umbrella fool you. It doesn't stand for appeasement.**

# SEQUEL To The APOCALYPSE

## THE MASK COMES OFF

***You can't tell the players without a score card . . . but frantic efforts to "Americanize" the Farben holdings didn't fool F.D.R. Farben may be down—but not out.***

### CHAPTER XV

**T**HE treacherous Japanese attack on Pearl Harbor on December 7, 1941, shocked the American nation into a sudden and dramatic realization that the United States was the really big prize sought by the Axis in its total war against the world.

From that day forward Uncle Sam rolled up his sleeves and prepared for all-out national defense. For the first time in many years of patient, tireless investigation, Federal agents were able to press their case against I. G. Farben in the United States.

Within a week after Pearl Harbor the Federal Grand Jury for the Southern District of New York handed down three indictments charging criminal conspiracy against Farben principals and Farben owned companies in America.

However, the Department of Justice had already forced a breach into the Farben lines when it brought Sterling Products into court in the fall of 1941, notwithstanding the consent decree's frustrative effects upon the efforts of federal authorities to get Farben men on the witness stand in open court.

But a part of the consent decree required the resignation of William Erhard Weiss as chairman of the board of Sterling. Weiss, a native American born in Canton, Ohio, in 1879, was also a director of General Aniline. Weiss dutifully dropped from the Board but popped up again immediately as head of the executive finance committee of Sterling Products.

Two other prominent members of the General Aniline Board—Edsel Ford, of the Ford Motor Company, and Walter C. Teagle, chairman of the Board of Standard Oil—had resigned as directors in recent years. Teagle resigned in 1938 while Edsel Ford's resignation did not occur until 1941, by which time the full extent of the Farben-Nazi conspiracy was no longer something that could be camouflaged.

Standard Oil had, however, protected its synthetic oil interests long before. On the eve of the Nazi invasion of the Lowlands in the spring of 1940, Frank A. Howard, president of the Standard I. G. Company, concluded an agreement with I. G. Farben by which their mutually owned synthetic oil patents were divided into two spheres—an American-British area and a Nazi area.

The agreement provided for an exchange of markets. The Farben stock in Standard I. G. was taken over by Standard Oil and the company's name was changed to Standard Catalytic Company. Standard was to control synthetic oil markets in America, Britain and France. I. G. Farben was to have a monopoly in Nazi occupied countries. After the conquest of France that country was, of course, included in the Farben-Nazi monopoly.

***Standard Oil had not only protected its synthetic oil rights in the Standard-Farben monopoly, it went even further and moved to protect a monopoly of synthetic rubber production in the United States.***

***Here again Frank A. Howard was revealed as president also of Jasco, Inc., subsidiary organized to acquire Farben's synthetic rubber patents in the United States.***

Federal investigators had by mid-February pressed for action and a Federal Grand Jury in New York, N. Y., was undertaking an investigation into the relationship between Standard and Farben.

The general public, meanwhile, knew nothing about the hidden relationships because the press almost unanimously suppressed the few facts available. Even the open demand for a senatorial investigation of the Standard Oil—I. G. Farben relationship, voiced by the Union for Democratic Action, was ignored by press and radio. It drew scant notice in several cities.

Faint repercussions of the probe were heard in the United States Senate but there was no debate and apparently little interest. This congressional indifference was manifest in spite of the fact that Frank A. Howard was said to have made two trips to Europe during the early part of World War II to confer with I. G. Farben executives.

Congress sat Sphinx-like on its haunches, not daring to investigate the hidden Axis ramifications among U. S. Big Businessmen.

The further charge that Standard had either been double-crossed by Herman Schmitz or was itself deliberately withholding patents from Goodyear and Goodrich was also ignored on Capitol Hill in Washington.

***Goodyear and Goodrich were thus stymied in their endeavor to provide a synthetic rubber industry for national defense purposes. Long after Pearl***

**Harbor, neither Goodrich nor Goodyear had obtained licenses to use the Farben patents held by Jasco.**

The Farben double-cross was involved in the fact that Hermann Schmitz had been up to the tricks practiced by old Karl Duisberg in World War I. Farben had a gentlemen's agreement with Jasco to exchange research results and synthetic rubber patents. Farben did give Jasco some information and did sell Howard some patents but Hermann Schmitz withheld basic information — the so-called "know-how" — and once again America was tricked out of the legitimate use of a Farben monopolized product.

**Did the American people rise up in wrath when automobile tires were denied them because of the rubber shortage after Japan's conquest of Malaya? They were sore at the Japs but not at I. G. Farben or Standard of New Jersey!**

The general public had no way of knowing that the long arm of Nazi monopoly was still reaching into their homeland, frustrating the development of a United States synthetic rubber industry long after Pearl Harbor.

Perhaps, the American people relied on the pledge of Secretary of Commerce Jesse Jones that he would spend 400 million dollars and within eighteen months provide sufficient synthetic rubber for all war purposes and for essential civilian needs also. American scientists, however, challenged the Commerce Secretary's promise. Authorities in the synthetic field asserted that it would be impossible to reach the production set by Secretary Jones within 18 months.

**And as the Japs over-ran more and more of the East Indies, cutting off the last available natural rubber resources in the Far East—whence the United States normally got 98 per cent of its rubber—only a Federal Grand Jury investigation into an alleged violation of corporation laws was under way in Newark.**

Hermann Schmitz was probably wondering (but not worrying) if his American affiliate would be fined in the Jasco inquiry, as in the Sterling Products inquiry, when the penalty amounted to the trifling sum of \$26,000.

Great Britain, Belgium and Holland confiscated Farben assets in those countries immediately after the outbreak of the war. Farben's influence in Britain was always limited although by no means negligible. The loss of exports to the Belgian and the Dutch colonial empires was of greater consequence.

But the main Farben prize was its domination of 25 per cent of the dye market in the United States and its monopoly in Latin-America. The investigation of General Aniline, Sterling Products and their many subsidiaries was therefore of great moment to Hermann Schmitz and Max Ilgner back in Berlin.

In the United States a great publicity campaign was launched by General Aniline agents to proclaim their independence of any Nazi influence. Any foreign ownership that existed was in Holland and Switzerland, and Switzerland, as everyone knew,

was the "oldest democracy in the world."

As a matter of fact 97 per cent of the stock of this monster corporation doing a 40 million dollar business each year—half of which was in war contracts—was owned by I. G. Farben outright through its two Dutch holding companies and the I. G. Chemie of Switzerland. I. G. Chemie in turn was run by Hermann Schmitz's nephew, Albert Gadow, and Felix Iselin, who until after Pearl Harbor, was a director of General Aniline.

As part of the Farben publicity, Agfa-Ansco—the film and photo division of General Aniline—emerged with a handsome memorial booklet commemorating the centennial of the founding of this "great American concern."

In a pictorial history, Farben's Agfa Ansco unrolled a panorama of the patriotic Americanism of Agfa-Ansco from its organization by native Americans in 1842, through the Civil War, the Spanish-American War, the World War, and now its great contribution to the American effort in World War II.

**What this history did not say was that the Anthony & Scovill Co. (Ansco) truly the oldest American photographic company, was forced to the wall by I. G. Farben's ruthless competition in the American field. When Ansco was sufficiently impoverished I. G. Farben swallowed it at its leisure and on its own terms and changed the name to Agfa Ansco.**

However, this publicity encountered suspicious scrutiny in many quarters—including the White House—and Hermann Schmitz and Max Ilgner were told by their American associates that more effective measures were urgent if I. G. Farben's American monopolies were to be saved.

D. A. Schmitz—Hermann's brother—therefore proposed that I. G. Farben's stock ownership in General Aniline be sold to that "real American" concern—General Dyestuff, the sales agent for General Aniline in the Western Hemisphere. General Dyestuff was still owned by those sterling, naturalized Americans—W. H. Duisberg, old Karl's son, and Ernest Halbach, a veteran Farben executive.

But the now aroused United States Treasury Department refused to grant a license for this "Americanization" of Farben's United States holdings. As a consequence, in the latter part of 1941, a great "schism" developed in the General Aniline organization.

It was suddenly revealed there were two factions. One led by Dietrich A. Schmitz and his chief supporter, Ernst Schwarz, the able head of Agfa Ansco, was supposed to be too friendly to Nazi Germany. The other led by Hugh Williamson, the American lawyer, who visited Europe twice in 1940 to arrange for Farben's war time operations, asserted itself to be 100 per cent American.

The farcical nature of this apparent fight between Nazis and "Americans" on the General Aniline Board was exposed when Williamson and his clique apparently forced D. A. Schmitz out of office as president.



Among Williamson's "American" supporters were Wilhelm vom Rath, the former Nazi intelligence chief in Switzerland and one of the largest stockholders in I. G. Farben of Nazi Germany, Hans Aickelin, Rudolph Hutz, Karl Milde, and other naturalized "Americans" who had served their entire business lives as principal men for Hermann Schmitz and Max Ilgner of I. G. Farben.

Thus Hermann Schmitz sought to continue the deception that General Aniline and its many subsidiaries were real American firms and bitterly anti-Nazi in policy. The sham battle didn't work.

President Roosevelt intervened in October, 1941, and succeeded in naming his close personal friend, Judge John E. Mack, as president of General Aniline to replace Dietrich A. Schmitz. To further Americanize the Farben-Nazi organization, the President got another close personal friend, William C. Bullitt, appointed as chairman on the board to replace Wilhelm vom Rath.

Then on December 12th, 1941, seventeen Treasury agents led by Joseph J. O'Connell, Jr., assistant general counsel of the Treasury, invaded the palatial offices at 230 Park Avenue and took over supervision. Seventeen men to supervise the huge factories at Linden, N. J., Rensselaer, N. Y., and Johnson City, N. Y., and Binghamton, N. Y., had a large order on their hands.

Three days later the Federal indictments against Farben companies and Farben men were handed down in New York for alleged criminal practices which commenced in May, 1924! For a list of individuals and corporations named in the indictments, see page 61).

The indictments found as follows:

1. Defendant I. G. Farben has not imported dyestuffs to the United States except through defendant General Dyestuff.

2. Defendant I. G. Farben has been prevented from importing into the United States dyestuffs in competition with dyestuffs manufactured by defendant General Aniline.

3. Defendants I. G. Farben, General Aniline, and General Dyestuff have directly, substantially, and unreasonably prevented and restrained free and vigorous competition in the importation and sale of dyestuffs in interstate and foreign trade and commerce.

4. Defendant I. G. Farben has not exported photographic materials to the United States and has not exported photographic developers to the United States, except through co-conspirator Agfa-Ansco until its merger and thereafter through defendant General Aniline.

5. Co-conspirator Agfa-Ansco until its merger and thereafter General Aniline have been prevented (1) from manufacturing photographic developers in the United States; (2) from exporting photographic materials from the United States.

6. Defendant I. G. Farben, co-conspirator Agfa-Ansco until its merger and thereafter defendant General Aniline have directly, substantially and un-

reasonably prevented and restrained free and vigorous competition in the manufacture, distribution, and sale of photographic materials and developers in the United States and in interstate and foreign trade and commerce.

7. Kalle has not exported photoprinting materials to the United States except through defendant General Aniline or co-conspirators Ozalid and Ozaphone.

8. Defendant General Aniline and co-conspirators Ozalid and Ozaphone have not exported photoprinting materials from the United States, except as such exports were authorized by Kalle.

9. Defendant General Aniline and the co-conspirators have directly, substantially and unreasonably prevented and restrained free and vigorous competition in the manufacture, distribution, and sale of photoprinting materials in the United States and in interstate and foreign trade and commerce.

The defendants pleaded not guilty and were released on a nominal bail of \$1,000 each. The violation of the anti-trust laws in the United States was apparently of minor consequence.

Trial was set for April 6th, 1942, and Federal men were understood to be continuing their investigation. It was implied that additional indictments might be returned against other Farben principals.

However, if the United States seemed to be proceeding in a roundabout way against the I. G. Farben-Nazi organization, Latin-American nations were beginning to make observations as the fateful year of 1942 was well begun.

At the historic conference of American statesmen in Rio de Janeiro in January, 1941, representatives of the United States were warned frankly against the danger of I. G. Farben. The Latin-Americans pointed out that Farben was financed and directed from North American headquarters and that without United States co-operation, the countries south of the Rio Grande were handicapped.

Important and sensational information was turned over to the United States by Latin-America to impress on Washington the sinister power of I. G. Farben as the greatest single economic, financial, political and espionage organization threatening the Western Hemisphere.

It was revealed in Ecuador that the Farben firm of Brueckmann & Co., of Guayaquil, was headed by L. E. Brueckmann, the Nazi Consul and several Nazi consular employes were employes of Farben. Brueckmann was cited as the center of Nazi secret service in Ecuador. The manager of Brueckmann's, Herr Tetke, and the treasurer, Herr Ruperti, were the leading Nazis in Ecuador.

Brueckmann had a branch—the Sociedad Industrias Beco, at Manta, Ecuador, managed by Brueckmann's son-in-law, Joachim Arantia Gonzales. It was the fountainhead of Nazi propaganda under the direction of a native of Ecuador, Emmanuel Pauta Cordova. Brueckmann himself was apparently immensely wealthy and socially prominent. His firm had a large reserve of pharmaceuticals supplied by La Quimica Bayer, of Argentina, and the American

Bayer subsidiary of Sterling Products.

The chief center of Nazi activities in Brazil were the Farben firms of *Alliança Commercial de Anilinas Ltda.* and *A. Quimica Bayer* of Rio de Janeiro.

H. N. Beck, of *Rua Redempta 99*, Rio de Janeiro, represented *Agfa-Ansco*. He was a notorious Nazi as was *Herr Hamers*, of Rio, who was a ranking executive of *Farben* and a high member of the Nazi secret service. Two other *Farben-Nazi* secret service men were *Herr Burrmeister* and *Herr Max Hahne*.

In Chile the *Farben-Nazi* chiefs were *Werner Siering*, *Nazi Party* secretary and manager of *German Bayer*, who organized the *Nazi intelligence service* in Chile in 1935; *Anna Bradenkamp de Helleman*, the English born private secretary of *Siering*, who was regarded as an extremely dangerous *Nazi secret agent*; *Werner Schorr*, field director of the *Nazi secret service* in Chile; and *Paul Hegemann*, formerly a *Nazi secret agent* and now an employe of *Farma Platense*, of Argentina, a company owned jointly by *Sterling Products* of the United States and *I. G. Farben* of *Nazi Germany*.

In Peru, the two *Farben-Nazi* chiefs were *Dr. Friedrich Bank* and *Guillermo Corvejo*, both *Nazi secret service men* and executives of the *Farben Compania General de Anilinas*. Among lesser *Nazi agents* was young *Curt Kusel*, whose mother ran a boarding house in *Calle Porta, Miraflores*, from whence the *Nazis* operated a short wave wireless transmitting station.

*Alfred Becker* and *Arnold Margerie*, the *Farben executives* of *La Quimica Bayer*, in *Caracas*, ran the *Farben-Nazi* subversive activities in *Venezuela* and the *Caribbean*, *Margerie*, alias *Maaserich*—was regarded as one of the most important and most dangerous *Nazi agents* in *Latin America*. He was in constant touch with *Berlin* at the beginning of 1942.

*I. G. Farben* had three principal firms in *Mexico*—the *Compania General de Anilinas*, *La Union Quimica*, and *Casa Bayer*. *Farben's* chief man was *Baron von Humboldt*, the head of the *Gestapo* in *Mexico*.

The *Baron's* principal aides in *Mexico* were *Johann Martin Fischer*, *Theodor Schumacher* and *Curt Thalmann*, whose duties were to finance and advise *Spanish Falangists* in the spread of *Axis propaganda*. The *Farben firms* in *Mexico* were supplied from *General Aniline* and *Sterling Products* in *New York*. Among the chief stockholders and a director in *Casa Bayer* of *Mexico* was *W. E. Weiss*, the former chairman of the board of *Sterling Products*, who was ousted by the *American authorities*.

Adjacent to the *Panama Canal* on the south, *Farben* had an imposing organization in *Colombia*. The *Anilinas Alemanas*, *Quimica Bayer*, and *Agfa* were the principal *Farben subsidiaries*.

The known *Farben-Nazi agents* in *Colombia* included *Johannes Hering*, *Friedrich Birkigt*, *Walter Schmidt*, *H. Wolf*, *Heinz Schwanhaeuser*, *Hans Denk*, *Edgar Stubba*, (known as the *Goebbels* of *Bogota*), and *Hans Tieck*. The *Nazi secret agents* met secretly at *Tieck's* house in *Baranquilla*.

A principal director in *Anilinas Alemanas* of *Colombia* early in 1942 was that naturalized American, *Dietrich A. Schmitz*, in spite of being under

indictment in the United States. And a principal director in *La Union Quimica* of *Columbia* was *Walter H. Duisberg*, once again a naturalized American, named as co-conspirator against the United States. *Farben firms* in *Colombia* were supplied through a bewildering maze of dummy concerns from *General Aniline* in *New York*.

Thus, while the United States proceeded in a technical way against *I. G. Farben* on the grounds that it had criminally violated the corporation laws of America, the vaster espionage and propaganda machine which *Hermann Schmitz* and *Max Ilgner* set up to destroy free enterprise and create national and international disunity in the Americas, continued to function without serious interference.

The United States government did, however, move to terminate the foreign ownership of *General Aniline*. On Feb. 16, 1942, Secretary of the Treasury *Morgenthau* announced that he had personally taken over 97 percent of the huge company's stock.

It was an evident stop-gap arrangement to put ownership into American hands pending future sale of the stock, and thus to end the subterfuge of "neutral Swiss ownership," which had permitted millions in profits to go to *I. G. Farben* in *Germany*.

**Considerable interest still centered, however, on the ultimate disposition of the 97 percent stock-holdings. Farben interests were known to be secretly hoping that certain American groups long friendly to them would acquire the stock.**

And in Washington a dispute between the Treasury and Justice Departments over which should have jurisdiction over the *Alien Property Custodian* gave additional aid and comfort to *I. G. Farben* and its spiderweb of interlocking corporations and subsidiaries.

Between 7 and 8 billions of dollars in *Axis* owned properties in the United States were under little or no regulation while the Treasury and the Department of Justice disputed.

As early as Dec. 18, 1941, *Leo Crowley* had been designated by the President as *Alien Property Custodian*. But *Crowley* wouldn't accept the job until the wrangle had ended, until he knew where he stood.

Week after week went by—and the *Farben subsidiaries* and affiliated companies still carried on, unhampered by the government.

Suppose there had been no dispute. Suppose the *Alien Property Custodian* had assumed office. Suppose he had taken over the American companies actually owned by *Farben*, and had Americanized their personnel.

**Still, the job would have been less than half-done. For the present outmoded laws give an Alien Property Custodian no authority over so-called "American" corporations which are merely held in escrow for the Germans by pro-Nazi naturalized citizens and certain native Americans.**

President Roosevelt, under the War Powers Act, had the power to end this situation. Congress had the power. But the hidden menace lay neglected as the more sensational war developments of 1942 clamored for attention.

# WAR WITHOUT END

*Haunted by the unchanged kaiser's ghost, the Armies of Democracy marched to battle against Hitler, vowing "it would be different this time." In Berlin, the men of I. G. Farben moved their Puppet Warlords to the front for the final struggle, ready to sacrifice them if need be to conquer the world, in this war or another war . . . or still another.*

## CHAPTER XVI

**A**CROSS the wastes of Asia, and in the conquered lands of Europe, the Four Horsemen were riding again. . . .

Now, as the tragic year of 1941 was nearing its end, they were seen once more in the ominous storm clouds gathering over the Pacific, galloping toward America's own shores.

Two men already stood condemned in the eyes of mankind for starting World War II. Now a third sinister figure joined them, and the Unholy Trinity was complete—Hitler, Mussolini and Hirohito. Their aim was, and remains, the division of the entire world among themselves and the annihilation of Democracy.

Dazed, bewildered millions, whom the war had not touched before, now joined the embattled nations fighting for survival. To them the world struggle had but one object—to rid the earth of these three men and all they stood for.

Yet these three were but symbols, after all. Concealed from public view were the facts about the real architects of Armageddon. Still worse, the great mass of liberty-loving people in America were wholly ignorant of the extent to which their own money had been used to feed the Beast of the Apocalypse.

They were hardly less ignorant even after the United States finally started to catch up with the I. G. Farben intrigues. They knew that the Farben interests had been accused of conspiring to monopolize a huge part of our indispensable drugs and chemicals. That was revealed in an indictment charging the Farben companies with conspiracy in restraint of trade.

What the American people did not know was the sinister role played by I. G. Farben in shaping and exploiting the world conflict. Will they know it even when—**AND IF**—the government brings the Farben-Nazis and their associates into court? Assuming that the trials are held, will the whole story come out?

**Or will the proceedings be as weakly innocuous as the income-tax evasion trials of notorious American gangsters? They, you remember, were tried and imprisoned for the least of their crimes.**

Months after Pearl Harbor, the legal machinery which should have long before this overtaken the German dye and chemical conspirators in the United States was still stalled on the roadside. Officials

charged with the responsibility of safeguarding America's internal security were wrangling among themselves over technicalities and indulging in trifling squabbles over jurisdiction, while the Farben henchmen covered their trails, erected new dummy corporations, concealed their vast financial reserves. They even boasted in private that the powerful American multi-millionaire corporations inter-related with German companies would merely revise their structures a bit and continue "Business as Usual," war or no war.

In fact, the prediction was heard in high circles even after Singapore that the tentative moves to smash the I. G. Farben structure in the United States would amount to nothing. Washington insiders foresaw no more than a few small fines, perhaps a suspended sentence or two, with no laying bare of the inside story of America's portion of war guilt for World War II.

**That, then, is why this documented story is now being published.**

Lest the American people forget, lest they be condemned to perpetual ignorance of the hidden corporate relationships between American organizations and German monopolies, this authentic chronicle of the hitherto unrevealed facts is submitted to you as though it were an indictment and the American people themselves were sitting as a jury to determine war guilt in the midst of total war itself.

Here, therefore, is the draft of an indictment of those who conceived and engineered the Axis plan of total war, the men who sit behind the hired assassins of nations, Hitler, Mussolini and Hirohito.

**For the supreme crime of total war against civilization, the full penalty is demanded for the following:**

- Hermann Schmitz, generalissimo of I. G. Farben
- Max Ilgner, his second in command
- General Karl Haushofer, draftsman of the German design for world conquest
- Fritz Thyssen, Nazi industrialist, confessed banker for Hitler
- Hjalmar Schacht, whose financial wizardry facilitated Nazi armament
- Krupp von Bohlen, Germany's cannonmaker and world's greatest manufacturer of armament
- Karl Duisberg (deceased), whose chemistry per-



fectured ersatz materials and ersatz food for Germany's first world war and hastened World War II

**Karl Bosch** (deceased), whose chemistry gave Germany the three most deadly poison gases ever invented

**Fritz Haber** (deceased), inventor of synthetic nitrogen, with which Germany triumphed over the allied blockade

**Karl Bosch, Jr.**, high official of I. G. Farben

**Karl Duisberg, Jr.**, high official of I. G. Farben

**Heinrich Gattineau**, old Karl Duisberg's secretary  
**Field Marshal Hermann Goering** Nazi economic dictator and apostle of unlimited air warfare

**Dr. Joseph Goebbels**, instigator of race hatred as a weapon of total war

**Heinrich Himmler**, responsible for the Gestapo scourge visited upon Germany and her conquered neighbors alike.

But wait! These are not all. True, they are the ringleaders, but what about their accomplices? What about the native-born citizens of North and South America who are still doing their bidding? And the Lavals, the Serrano Suners, the Farben lackeys in Japan?

Are they to go free, perchance, if Farben and its arch conspirators are destroyed, to seek some other conquistador in whose service to loot mankind?

Already the Federal Government has indicted several of the German ringleaders of I. G. Farben and certain of their American associates for conspiracy in restraint of trade and commerce in dyestuffs and heavy chemicals. The United States government, for reasons not evident, waited nearly 20 years to prosecute the I. G. Farben agents, representatives and associates.

Still more perplexing is the fact that World War II had been under way for more than two years before these indictments were filed. By that time, the Axis war chest had been filled to overflowing with money derived largely from the sale of German-controlled chemical and medical products throughout the United States and the western hemisphere!

Lest the American people forget, lest some giant monkey-wrench be thrown into the federal legal machinery, the names and identities of those indicted as defendants or named as co-conspirators in the aforementioned charge of conspiracy and restraint of trade, are here set forth:

**General Dyestuff Corporation of New York City**, exclusive sales agents in the United States for dyestuffs bought from I. G. Farben or dyestuffs sold by I. G. Farben in the United States. This company also acts as exclusive agent in the United States for all dyestuffs manufactured by General Aniline & Film Corporation. These dyestuffs aggregate approximately 25% of the dyestuffs sold in the United States.

**General Aniline & Film Corporation of New York City**, one of the largest manufacturers of dyestuffs in the United States, which makes about

one-fourth of the dyestuffs manufactured and sold in this country.

**I. G. Farben industrie, A. G.**, of Germany, super-monopoly of the German chemical and dye trust, with headquarters in Frankfort-on-Main.

**Hermann Schmitz**, of I. G. Farben, Berlin.

**Dietrich A. Schmitz** of Greenwich, Conn., brother of I. G. Farben's generalissimo, long a director of General Aniline and Film Corporation and its president until 1941. He also owned a majority interest in General Dyestuff Corp., until 1939.

**E. K. Halbach** of Short Hills, N. J., long a director and president of General Dyestuff and owner of its majority interests from 1939 to the present time.

**Hans W. Aickelin** of New York City, director and vice-president of General Aniline.

**Ernst Schwarz**, for many years director and president of Agfa-Ansco Corporation, later vice-president and director of General Aniline

**F. William von Meister**, New York City, vice-president of Ozalid Corporation until its absorption by General Aniline and, since then, manager of its Ozalid Products Division

**William H. vom Rath** of New York City, long secretary and director of General Aniline

Named as co-conspirators were:

**Agfa-Ansco Corporation** of New York, one of the country's largest makers of photographic supplies

**Grasselli Chemical Company** of Cleveland, Ohio

**General Aniline Works, Inc.**, of New York

**Farbenfabriken vorm. Friedr. Bayer & Co.**

**Rudolf Hutz** of Englewood, N. J., vice-president of General Aniline, former German spy

**Walter H. Duisberg**, Englewood, N. J., former vice-president of General Aniline and son of old Karl Duisberg, one of Germany's original seven plotters.

**Kalle & Company** of Germany, Farben subsidiary

**Ozalid Corporation** of Delaware

**Ozaphone Corporation** of America

These indictments of corporations and individuals suggest the possibility that the evidence to be produced at the trial stage may touch upon wider aspects of the operations of the I. G. Farben affiliates in this hemisphere

However, in very much the same kind of proceedings brought against General Aniline's well-known associate, Sterling Products, charging conspiracy and combination in restraint of trade, the case never went to court as has been shown, because a consent decree was arranged.

In that indictment, Sterling Products, three of its subsidiaries and two of its principal officers were named.

They were:

**Winthrop Chemical Corporation** of New York.  
**The Bayer Company, Inc.**



"GOD BLESS AMERICA!"

*Farben's head men were ordered to become naturalized citizens of the countries which they exploited for the enrichment of Germany. But Uncle Sam smelled a rat in the attempt to "Americanize" the Farben holdings after Adolf Hitler had plunged civilization into its most destructive war.*

Alba Pharmaceutical Company.

W. E. Weiss, native American, born in Canton, Ohio, chairman of the board, general manager and a director of Sterling Products, as well as an officer and director of most of its subsidiaries; also director of General Aniline & Film Corporation.

A. H. Diebold, his colleague.

By virtue of Attorney Thomas Corcoran's skillful negotiating, the government's case was brought to a compromise, and in the consent decree that terminated the litigation the following mild penalties were imposed:

A fine of \$5,000 each for Sterling Products, Winthrop Chemical and Alba Pharmaceutical.

A fine of \$1,000 each for Weiss and Diebold with a further stipulation that both of them were to resign their executive posts with Sterling Products. They did so, but in a matter of weeks, appeared again in the Sterling set-up as members of the Finance Committee!

Two key executives of the General Aniline and Sterling Products groups were pivotal figures in the search for the whole truth. They were:—

Hugh S. Williamson, vice-president and treasurer of General Aniline;

Earl I. McClintock, vice-president and directing head of Sterling Products.

When these men speak forth, or when the time comes for a full inquiry, the public should get the whole story.

Much also remained to be delved into about the relationship between the Farben interests and the Ford Motor Company. Ford's large factory in Cologne, Germany, was being operated by Farben soon after the outbreak of war and was turning out tank after tank. Did this imply a reciprocal agreement of some sort between the two industrial giants?

As for Standard Oil (Esso) of N. J., the Senate in late February, 1942, had commenced an investigation into the charges that Germany, through patents exclusively consigned to a Standard subsidiary, had held up the development of a synthetic rubber industry in the United States for years.

Goodyear and Goodrich, both of which sought the Farben patents from Standard Oil, were unable to get them. Moreover, it was revealed in the Senate that Farben had withheld the essential "know how" even from Standard.

A fair and thorough trial is demanded for those American citizens employed in Farben-owned or affiliated companies who assisted, innocently or wittingly, the agents of I. G. Farben in establishing the vast network of chemical, medical and film monopolies, whose profits in the western hemisphere helped so substantially to finance the Axis conquests.

Already, the shadowy figures of the Farben consortium in the United States were cloaking themselves in the protective robes of naturalized American citizenship. The very laws that guarantee freedom and security to inhabitants of this democracy are being invoked by these dangerous men to frustrate the will of the American government.

Powerful figures of the chemical, medical and film

structures established by the Farben group in this country are moving about with complete immunity, because, as naturalized American citizens, they have the same rights and guarantees as native-born citizens.

*These powerful figures, many of them suspected of loyalty to Nazi Germany, continue to direct vast corporate activities in the United States and in the countries of Latin America. A few have been removed by action of the U. S. Treasury. But other Farben men, waving the American flag and vociferous in their democratic protestations, continue to operate the gigantic companies, piling up multiple millions in profits, perchance to be conveyed secretly to the Axis via dummy corporations in neutral countries.*

Skillful legal talent, cunning lobby work, every trick and every stratagem of delay and subterfuge, is being employed by the Farben men in the United States to remain at the helms of the hydra-headed monopolies in the Western Hemisphere.

Will the American associates and accomplices of the I. G. Farben hegemony wriggle out of the net that slow-moving American sleuths are weaving around them?

*Is there no sure, fool-proof way to uproot these hidden tentacles of the German I. G. Farben Octopus?*

Will countless other millions of American money paid in the purchase of household chemicals, family medicines and camera supplies be drained away through secret channels to feed and propel Hitler's juggernaut in its assault upon civilization?

**IF SO, THE WAR AGAINST THE AXIS WILL BE FOUGHT IN VAIN. ANOTHER WAR WILL FOLLOW SWIFTLY UPON THIS STRUGGLE AND STILL ANOTHER, IN TERRIFYING, PARALYZING SUCCESSION, ENRICHING THE OCTOPUS OF GERMAN INDUSTRY UNTIL BERLIN'S DREAM OF WORLD EMPIRE WILL BE FINALLY ACHIEVED.**

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